

Internship Report

On

**Reference Group Influence on Purchase Decision Making of Soft
Drinks: A Demographic Study Based on Clemon**

Reference Group Influence on Purchase Decision Making of Soft Drinks: A Demographic Study Based on Clemon

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Subject: Submission of the internship Report.

Dear Sir,

It is my great pleasure to submit my Internship Report as a part of my BBA program to you that I was assigned to prepare under your direct supervision on the topic entitled “**Reference Group Influence on Purchase Decision Making of Soft Drinks**”. I am fortunate enough that I have got an experience and efficient professional team in the company. I have got the opportunity to work with them at different Brand Marketing section of **Akij Food and Beverage Ltd.** to learn their marketing processes and procedures effectively. I tried my best to show my skill, which is achieved by twelve weeks (03 months), practical experience through this report. Finally, I would like to assure that I will remain stand by for any clarification, explanation as and when required.

Thank you in advance for your kind assistance.

It will be great pleasure for me if you kindly accept my internship report.

Sincerely yours

Zoheb Ahmed
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Acknowledgement

My acknowledgement begins by thanking my Supervisor Mr. Mahmudul Huq, who has provided me with suggestions for making this Final Internship Report and also provided me with the format for preparing this report. I would like to show my warm-hearted gratitude to the Brand Marketing department of **Akij Food and Beverage Ltd.**; which has provided me with great deal of information, adequate data and cooperated me for the accomplishment of this report successfully. Finally, last but not the least, I would like to thank each and every Staffs of the brand marketing section of **Akij Food and Beverage Ltd.** specially Mr. Md. Shafiqul Islam Tushar (DGM), Mr. Sumit Chokrabarti (Brand Officer), Mr. Alaudin (Senior Brand Officer) for their kind assistance regarding the report without whom it would not possible for me to complete this difficult task, I got all necessary guidelines, cooperation, advice from them to complete this complicated task. I am very much thankful to **Akij Food and Beverage Ltd.** its management, especially employees of Brand Marketing for their cordial support to prepare this difficult study with important information and data.

Zoheb Ahmed

Executive Summary:

The beverage industry in our country compiles various sorts of marketing aspects that significantly enhanced my interest towards doing my internships report on the topic of **“Reference Group Influence on Purchase Decision Making of Soft Drinks: A Demographic Study Based on Clemon.”**

The objective of this research is to measure the reference group influence on purchase decision making of soft drinks.

This research is descriptive in nature. To conduct this study the primary and secondary are used.

My research report initially provides a nominal idea of the beverage industry in our country. Then detailed overview of AKIJ Group and also AKIJ Food & Beverage Ltd (AFBL), which is a venture of Akij group, is presented. After the company descriptive part, analysis segment is incorporated. Starting with 4ps analysis of AFBL, budgeting & sales forecasting, SWOT analysis.

The current competitive culture in the soft drinks industry leads the organization to the difficult situation to survive. Therefore, this study enables the marketers to take appropriate decision about the consumers buying behavior.

The sample of 172 is determined through non-probability convenience sampling technique. Data is collected through structured questionnaire and in-depth interview. Internet is also used for collecting secondary data. The data is analyzed through different mathematical tools. Microsoft excels, Statistical Package for Social Science (SPSS16.0) are used to analyzed the data.

This research found that consumers own personality is the most influencing factor to take a purchase decision regarding the soft drinks'. Consumers collect information from those who know more about soft drinks on the other hand they do not collect information from those who work in soft drink Company. This research also found that celebrity and role model have less impact on the consumers to choose a specific brand of soft drinks.

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1. Introduction

1.1.Introduction:

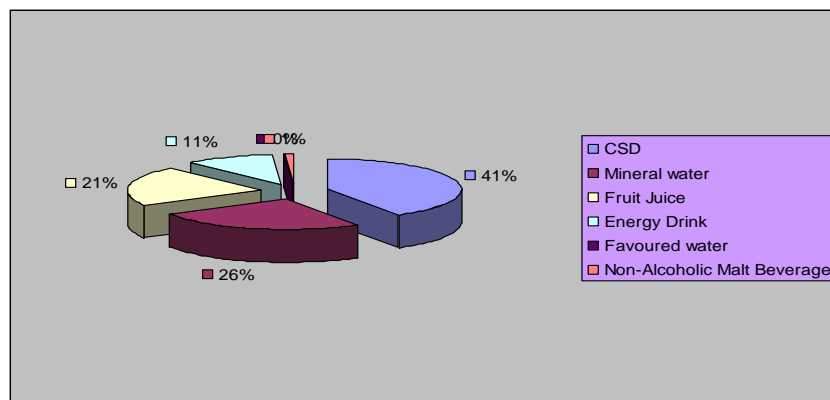
Fast moving consumer goods (FMCG) are experiencing a successive growth in our country and goods like beverages are in a flourishing state. Everyday thousands and thousands pieces of beverage products are being consumed. And to meet the demand and diversified taste, local as well as foreign companies are immersing and investing in this venture. Many local companies and foreign franchises have developed an extreme competitive environment in the beverage market. The beverage market is basically a compilation of wide range of mineral products with certain attributed affixed with it. The major product categories that are the core determinants of our market are enlisted below:

- ***Carbonated Soft Drink (CSD)***: These ranges of products are generally called refreshing drinks. The concept was developed many decades before by a pharmacist in United States of America. Initially it was consumed under the prescription of doctors but later as time passed the concept was refined to make it a product for general consumption any time. Water is being process with various flavors along with carbon-dioxide (CO₂) to obtain a tasty flavored fizzy drink that provides refreshment. Carbon-dioxide is being used to obtain the fuzziness that provides refreshment to human body.
- ***Mineral water***: Natural water is being chemically treated to attain a refined form of pure water which is healthy for human consumption. Companies establish treatment plants to produce mineral water for the consumers.
- ***Fruit Juice***: Natural fruits extracts are being process with various ingredients to form a liquid condensed juice that can be consumed within a certain period of time.
- ***Energy Drink***: The main conjunction of these products is that, it provides energy to the consumer after consumption. The drink involves mineral water along with some ingredients process with Carbon-dioxide depicting a final product that provides energy to human being.

- **Flavored water:** It is form of mineral water processed with mild flavor that gives the water a taste a bit different from the conventional mineral water. The concept is quite new and hasn't been that much popular in our country.
- **Non-Alcoholic Malt Beverage:** Malt beverage is an American term for both alcoholic and non-alcoholic fermented beverages, in which the primary ingredient is barley, which has been allowed to sprout ("malt") slightly before it is processed. A non-alcoholic beverage brewed in this fashion is technically identical to "non-alcoholic beer." Such a beverage is prepared by removing alcohol from the finished product to make it an alcohol free drink giving a close taste of beer and also the energy.

The entire beverage market in our country experienced an annual growth of 6% in 2008 and the projected growth this year is close to 10%.

These entire product segments mentioned before, plays a vital role in our beverage market and the percentile breakdown of the market share of each of the product categories are graphically shown below:



(Figure: A)

Ref: “*The A.C Nielsen Company Ltd*”

For my internship report, I have focused on the topic which is “*Reference Group Influence on Purchase Decision making of Soft Drinks*”. Throughout my internship period, I worked with a

beverage manufacturing company **AKIJ FOOD & BEVERAGE LTD.**, and within this period I got exposed to the entire functioning of how a beverage company operates in the market (Sumit Chakraborti, 2009).

1.2. Background of the Report:

In the recent years people become busier in their daily living. As a result they don't have enough time to spend in family life. For that reason people are becoming depended on others more and more for food and others goods that are necessary for their daily lives. Because of these reasons many food manufacturing organizations have emerged in recent years. The demand of beverage is also increasing as the demand of prepared food increases. The food that are consumed daily and highly demanding are fast moving consumers goods (FMCGs). The soft drinks industry as a part of FMCG industry is very competitive in nature.

The organizations doing business of fast moving consumers goods need to be very much aware about every aspects of the consumers behaviors. Because consumers are also very much conscious about the products they consumed. At the same time as the different organizations are trying to capture the limited number of consumers, the competition among the organizations also increasing day by day. As a result consumers have more alternatives to choose. The soft drinks industry as a part of FMCG industry is also very competitive in nature.

So this study is based on the soft drinks industry. As the requirement of BBA internship program I encouraged to make my report on the reference group influence. My practical knowledge – achieving from the three months working in '*Akij Food & Beverage Ltd. (AFBL)*' which is a leading consumer's product manufacturer helps me to do that.

The topic of this study is “**Reference Group Influence on Purchase Decision Making of Soft Drinks**” which helps me to achieve my report objectives.

1.3.Significance of the Report:

Akij Food and Beverage Ltd. (AFBL) is always trying to provide the quality food to the customers. At the same time they has to compete with other organizations. For achieving the consumers insight more study on consumer's behavior is needed.

This study helps the organizations to know the greater insight of the consumers. Because the soft drinks consumers are highly flexible and dynamic. Understanding about The reference groups' influence on purchase decision making of soft drinks will help the organizations to take the right strategy compatible in the market.

1.4.Scope of the Report:

This report covers the reference group influence which is a very important aspect of the consumer's behavior. Every organization does their all activities based on their consumers. So organizations need to know how their consumers behave in response with specific activities. We can also gather knowledge from this report about this industry.

1.5.Objective of the Study:

The main objective of the study is to **measure the reference group influence on purchase decision making of soft drinks**. The supporting objectives of the present study are -

1. To identify the reference group that has more power to influence on the purchase decision for soft drink;
2. To discover which information the consumers value more getting from reference group;
3. To know whether the celebrity or role model have power to influence on purchase decision making of soft drinks;
4. Whether the consumer tend to show their personality through their buying process of soft drinks;

1.6.Methodology:

1.6.1. Type of Research: This is a descriptive research. Research methodology mainly focused on quantitative method and survey study considered as a research technique.

1.6.2. Sources of Data:

Primary: Data collected for the first time through the structured questionnaire. Survey method and in depth interview are conducted for data collection.

Secondary: Data collected for some purpose other than the problem at hand from the secondary sources. The available literature used in this research is collected through reviewing different articles, books, journals, published reports, and relevant websites.

1.6.3. Data Analysis technique:

Collected data is analyzed by using appropriate mathematical tools based. Statistical Package for Social Studies (SPSS 16.0) and Microsoft Excel 2007 are used for data analysis.

1.6.4. Population and Sample:

As the study is Reference group influence on purchasing decision making of soft drinks the population included mainly the consumers of soft drinks in Dhaka City in different age. In this study 172 consumers of soft drinks is selected from the Dhaka city by using non probability convenience sampling technique to survey.

1.6.5. Limitations

The study caused some difficulty. During the survey our surveyors faces some constrains. The limitations are:

1. Lack of practical knowledge of both interviewer and customers (respondents).
2. Lack of understanding between customers and interviewers.
3. Customer's unwillingness to response.
4. Convenience costs.
5. Lack of sufficient time.

2. Literature Review

2.1. Reference Group:

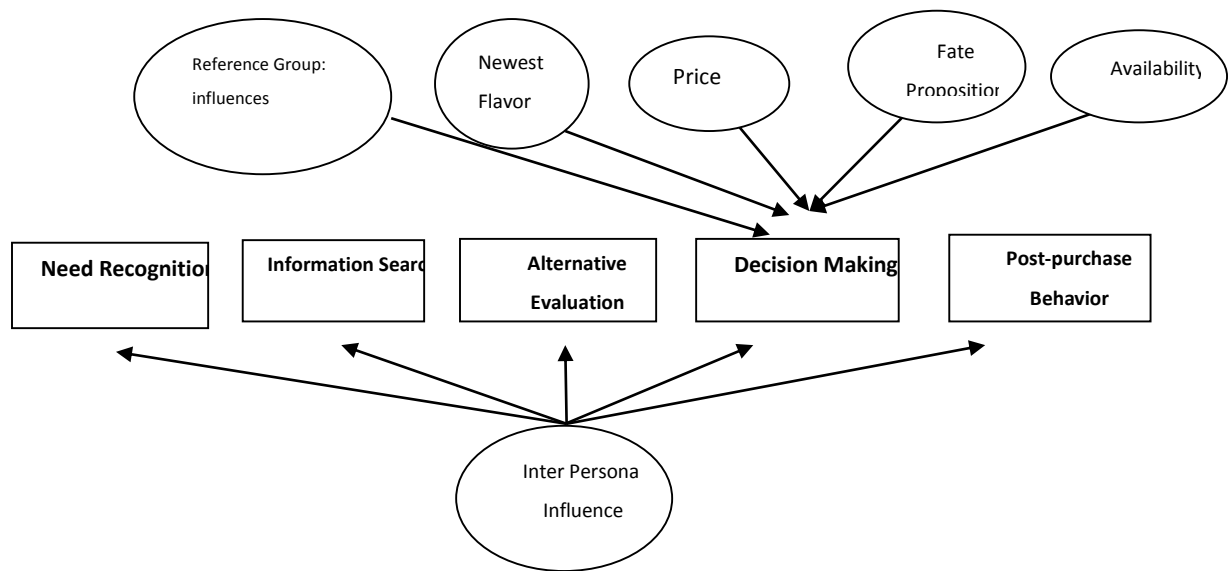
People whose attitudes, behavior, beliefs, opinions, preferences, and values are used by an individual as the basis for his or her judgment. One does not have to be (or even aspire to be) a member of a reference group to be negatively or positively influenced by its characteristics.

Power exerted on an individual by a reference group to conform to the groups (or generally accepted) norms of behavior.

A **reference group** is defined as “an actual or imaginary individual or group conceived of having significant relevance upon an individual’s evaluations, aspirations, or behavior” (Park and Lessig, 1977). Bearden and Etzel (1982) define a reference group as a person or group of persons that significantly influence the behavior of an individual, and argue that the Reference Group concept (Hyman, 1942) provides a way to comprehend why many individuals do not behave like others in their social group. Reference groups are usually conformed by the social network of an individual: family members, friends and colleagues, and inspirational figures (Bachmann, John, and Rao, 1993), and can be a source of brand associations that mold the mental representations a consumer has of himself (Escalas and Bettman, 2003).

Regarding the consumer purchasing behavior of a Soft drink, in addition to traditional marketing claim that a consumer’s purchasing motivation will be influenced directly by the soft drinks related factors including: Newest flavor, fate proposition, the relative price, a the availability, and reference group influence. Consumer behavior research on consumers’ social and interpersonal environment has indicated that the Soft drinks consumer’s final purchasing decision will also be influenced by reference groups (such as friends, family, work associates and etc.) on whether to buy a specific product and which brand or model to choose among competing alternatives (Yang, J. et al, 2007), as shown in Figure 1.

Figure 1: Soft Drinks purchaser decision-making process and major influence factors



2.2.Types of Reference Group:

As a consumer, your decision to purchase and use certain products and services, is influenced not only by psychological factors, your personality and life- style, but also by the people around you with whom you interact and the various social groups to which you belong. The groups with whom you interact directly or indirectly influence your purchase decisions. The reference groups are:

I) **Primary and secondary reference groups:** A primary reference group is one with which an individual interacts on a regular basis and whose opinion is of importance to him, family, neighbors, close friends, colleagues and co- workers are examples of primary reference groups. Secondary reference groups are those with which an individual interacts only occasionally and does not consider their opinion very important.

II) **Formal and informal reference groups:** Rotary, lions, Jaycees are some of the well – known social reference groups in our society. Labor unions, social clubs and societies are other types of formal reference groups to which individuals may belong. A formal reference group has a highly defined structure, specific roles and authority positions and specific goals.

In contrast, an informal reference group is loosely defined and may have no specified roles and goals. Meeting your neighbors over lunch once a month for friendly exchange of information is an instance of an informal reference group.

III) **Membership and symbolic reference groups:** A membership reference group is one to which a person belongs or qualifies for membership. All workers in a factory qualify for membership to the labor union. A symbolic reference group is one which an individual aspires to belong to, but is not likely to be received as a member (August 4, 2010 By Hitesh Bhasin).

2.3.Types of Reference Group's Influence:

A reference group's influence on purchase decision of a person depends on that person's susceptibility to reference group influence and the degree of involvement with the group (Ashraful et al, 2008).

Three reference groups, thus importantly influence consumer behavior: informational influence, utilitarian influence, and value-expressive influence (Park and Lessig, 1977; Bearden and Etzel, 1982), which are briefly described below.

Informational Influence:

The informational influence is based on the desire to make informed decisions and optimize the choice. Kelman (1961) suggested that an individual would accept an influence that improves one's knowledge and ability to cope with the environment. The informational influence only functions when the individual regards the behavior and value of reference group members as potentially **useful information and takes them into consideration**. When a consumer lacks the knowledge of a certain product and the experience of purchasing this item, one may perceive the information and recommendation from his/her reference group as credible and thus accept them with certain confidence. Marketing practical applications can be seen from the use of expert power and internalization in advertising with the ads that feature doctors (or actors) impersonating doctors as spokespersons for over-the-counter medicines. A recent TV advertisement tells viewers to: "Join the millions, switch to Netzero" (internet service provider). When considering purchasing a cell phone, one may ask his/her friends and family members for information about different brands and models in the purchasing consideration, or one may also search online group discussions about cell phones in comparing different brands and models.

Utilitarian Influence:

This influence can be explained by the so-called “compliance process” in which an individual is willing to satisfy a certain group’s expectation in order to obtain the praise or to avoid the punishment from the group (Kelman, 1961). The best demonstration for the utilitarian influence may be the famous Asch 1335 Experiment in which participants were found to willingly conform to the group answers, even changing their original right answers (Rock, 1990). Suggesting in the advertisements that one may obtain social approval and acceptance by just using a certain commodity, will have an influence on certain groups of consumers. Advertisements for personal care products in which consumers are punished by co-workers or friends for not using anti-dandruff shampoo, deodorant, or mouthwash, in fact, take advantage of the reference group’s utilitarian influence. Recent TV advertisement examples include: “Watch the show everybody's talking about” (Nancy Grace's Show); and **“I want people looking at my clothes and say: ‘WOW, you look great’”** (Some retail store).

Value-Expressive Influence:

This influence may be best explained by the “identification process” in which people are willing to better express themselves to the society by making themselves similar to the group that they want to belong to (Kelman, 1961). Under this influence, one may actively follow the groups’ beliefs and rules while neglecting the praises or punishments and decide to completely accept and internalize the value of that reference group. One good example of using this influence in marketing practice was used by soft drink giant Pepsi; the company has aired its Young Generation brand image extensively so that its targeted consumers have accepted the value of this specific group. Recent TV advertisement example includes, “See other women's success and learn more” (Yogurt advertisement); “Dad: Life insurance is something parents buy and benefit their children. Child: Do you have life insurance? Dad: Yes, of course.” (Prudential Finance); “I'm protecting my family by Garden State Life Insurance; I do the same, why don't you do the same with us?” (Garden State Life Insurance). Sony has a famous celebrity playing a successful manager’s role in its Sony cell phone advertisement implying that people who use the same cell phone will have the same characteristics with that expected group. The Motorola’s i836 is a cell phone packed with business-related features and applications. The clamshell-style phone has a sleek design and color with no bright color faceplates, which is referred as the executive gray (Shaw, 2005). This research is developed based on the well-recognized belief that the

trait of susceptibility to interpersonal influence not only varies across individual consumers, but also varies across cultures at a larger degree. However, the literature of East Asian consumers' susceptibility to social influence is very limited. In fact, there is no published research addressing the issue of comparing the susceptibility of the reference group influence on the consumers' purchasing behavior under two totally different cultures. In order to be a successful competitor in a global marketplace, companies need to apply effective marketing strategies that are sensitive to cultural differences across different regions and countries. As such, this paper is an attempt to address the above issue through an empirical study with the cell-phone industry

Reference Group Influence on Product & Brand:

The influence of reference groups may operate with respect to both product and brand. Reference groups, then, influence both the type of product purchased and the brand name selected.

Brand	Product	
	Weak(-)	Strong(+)
Strong(+)	Clothing Furniture Magazines Refrigerator(type) Toilet soap	Cars Cigarettes <u>Soft drinks</u> Drugs
Weak(-)	Soap Canned food Laundry soap Refrigerator(brand) Radios	Instant food Air conditioners TV (B and W)

The Role of Reference Group Influence in Consumer Decision Making:

Figure A: Relationships between Buying Attitudes and the Influence of Parents as Reference Groups

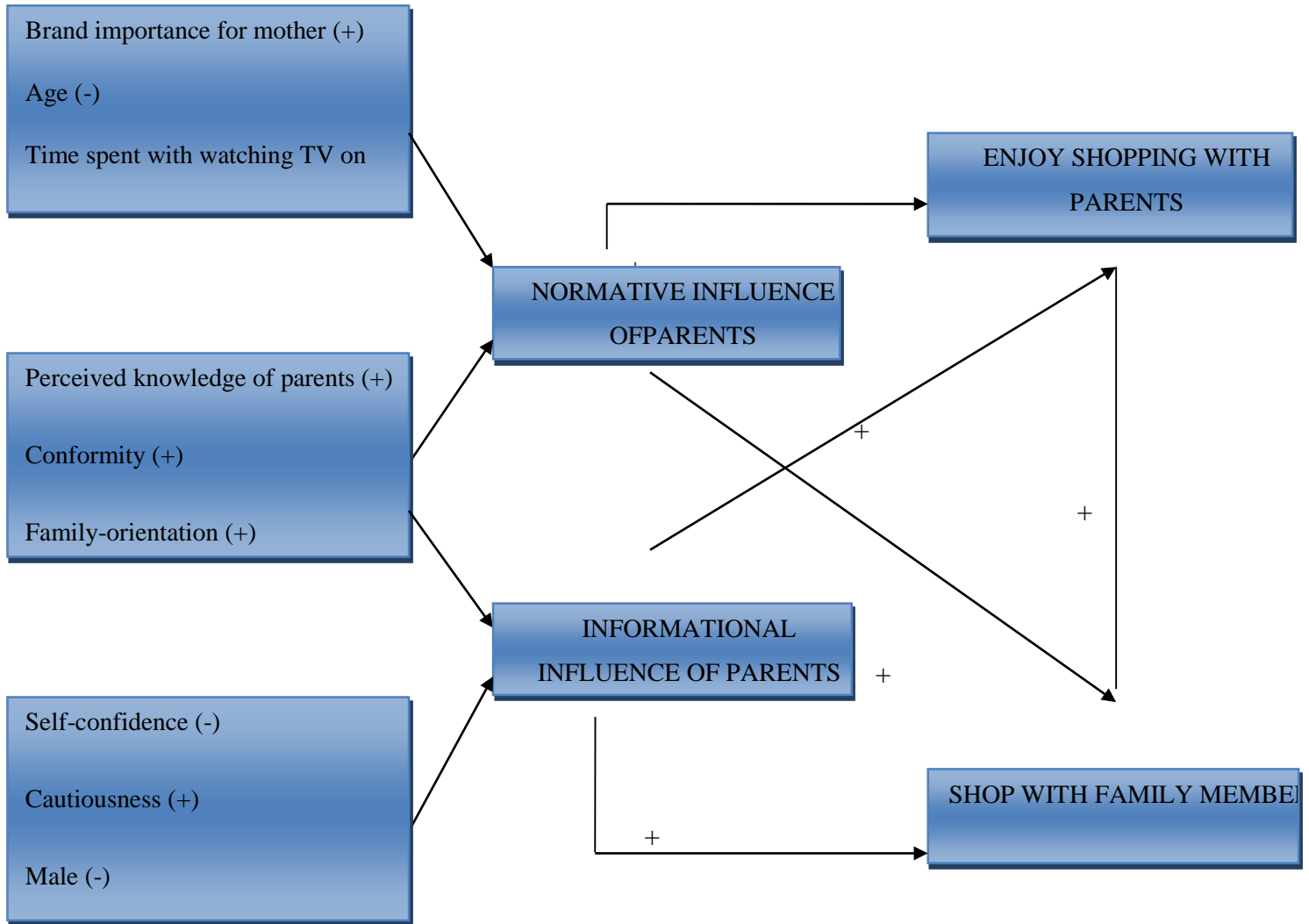
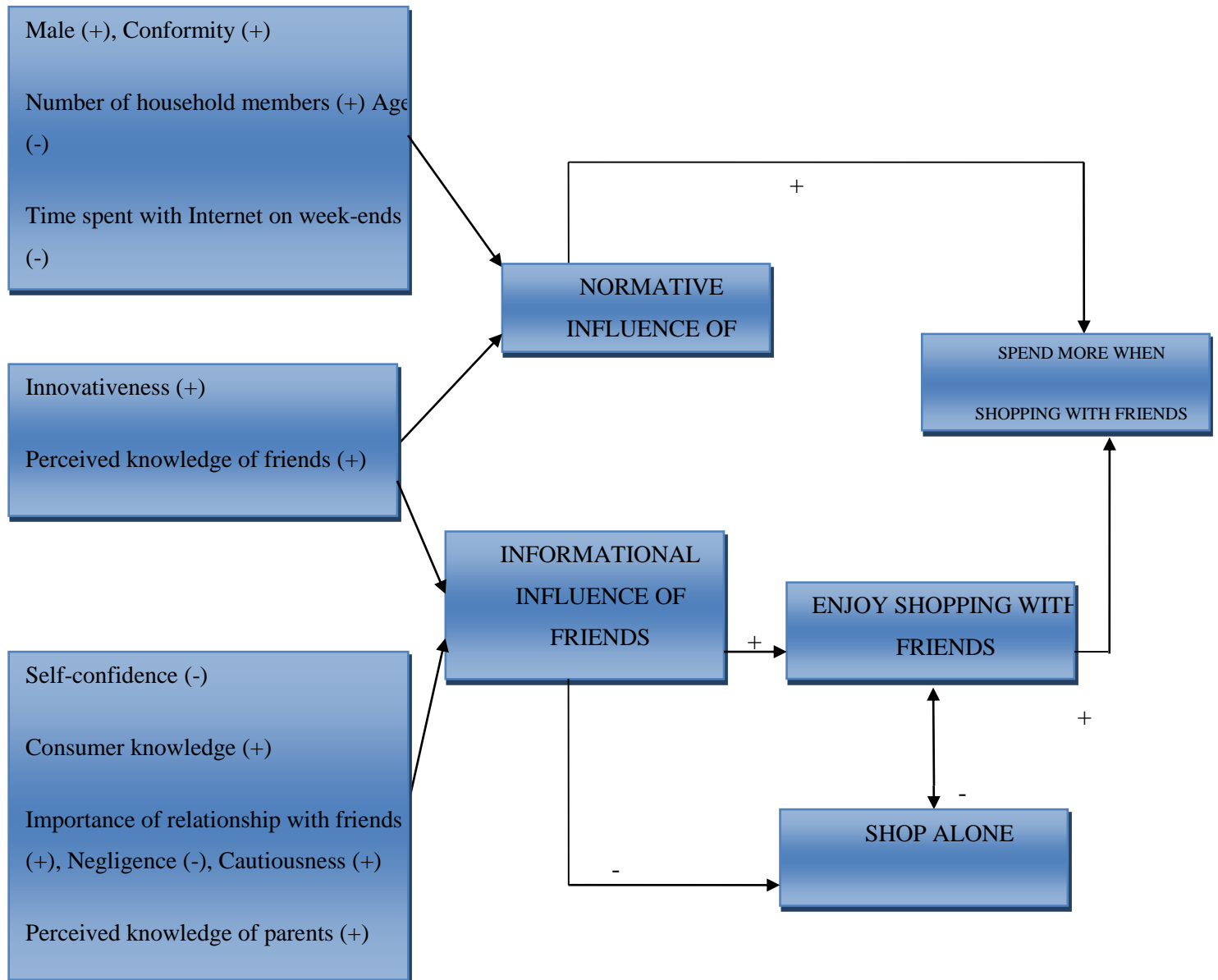


Figure B: Relationships between Buying Attitudes and the Influence of Friends as
Reference Groups



2.4.Factors that Affect Reference Group Influence:

The degree of influence that a reference group exerts on an individual's behavior usually depends on the nature of the individual and the product and on specific social factors.

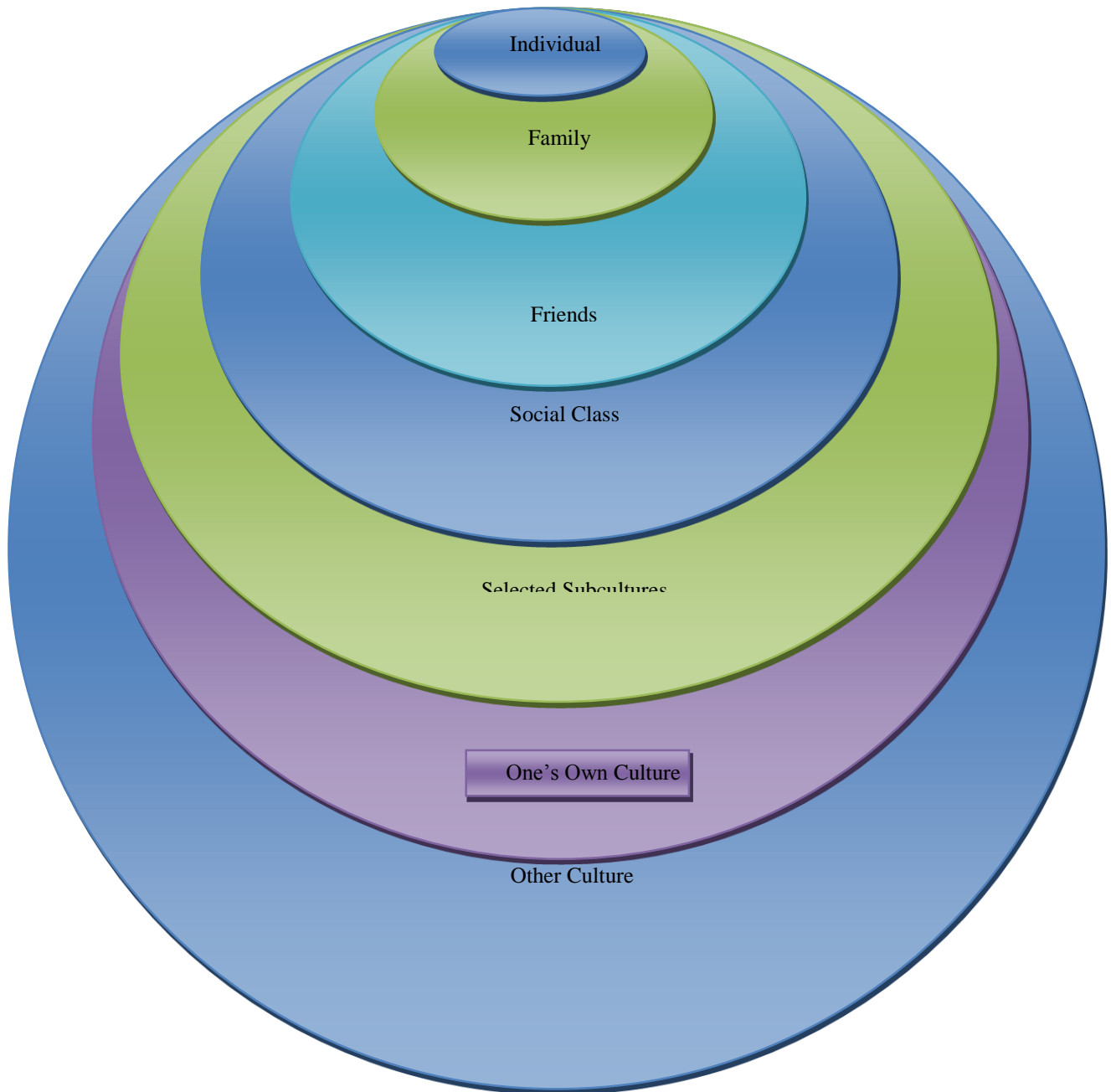


Figure: Major Consumer Reference Groups

Credibility, Attractiveness, and Power of the Reference Group:

A reference group that is perceived as credible, attractive, or powerful can induce consumer attitude and behavior change.

Conspicuousness of the Product:

The potential influence of a reference group on a purchase decision varies according to how visually or verbally conspicuous the product is to others (Schiffman et al).

3. COMPANY BACKGROUND: PARENT COMPANY OVERVIEW (AKIJ GROUP)

3.1. History

Enlightening the past history of the business world in Bangladesh, AKIJ GROUP OF INDUSTRIES is considered to be one of most profound and aged industries that is still sustaining with great success and prosperity. It was more than fifty years ago the company emerged into the market, and it was as small-time jute traders.

Entrepreneur, Founder and life time Chairman Late Mr. Sheikh AkijUddin then initiated the business in 1950s with a single product of cigarette naming Akij Biri. This brand is one of the biggest and well known units of Akij Group and it is considered to be one of the oldest and most well-known products across the country and in the few international market as well. Then in the late 70s Dhaka Tobacco Industries came to the fold of Akij Group when government decided to disinvest and hand over the factory to the private sector from the nationalized sector. It was the first booming stage of Akij Group and from then onwards this entity diversified its business in various product line and engrave the peak of success.

From such small beginnings, it has expanded into one of the top corporations in Bangladesh, and not only in size. Akij Group is proud of its infallible quality and excellent service by valuing its consumers as unique individuals and trying best to provide merchandise to suit the needs of each distinct consumer group. AKIJ group has never limited its aims to profit making. Besides playing a part in developing the country commercially, it has also worked hard to preserve its environment and culture. The company is proud to say that the word wastage means little to them; all their factories have been constructed with recycling and the environment in mind. The non-profit making concerns of the Group are involved directly in sustaining the progress of Bangladesh. A large number of people are employed by them, and cared for as members of the AKIJ family.

AKIJ group copes with the present versatile market by being flexible. Creative new ventures are the secret of our accomplishments. Portfolios of their ventures are enlisted in the following page:

SL NO.	Name of the Company	Product	Year of the Establishment
01.	Akij BIDI Factory Ltd.	Hand Made Cigarettes	1950
02.	Akij Transport Agency Ltd.	Transport	1950
03.	SAF Industries Ltd.	Crust & finished Leather	1960
04.	Dhaka Tobacco Industries Ltd.	Cigarettes	1966
05.	Akij Printing & Packages Ltd.	Printing & Packaging factory	1974
06.	Dhaka Tobacco Industries Leaf Processing Plant.	Tobacco Leaf Processing Plant	1981
07.	Akij Corporation Ltd.	Trading House	1983
08.	Akij Housing Ltd.	Housing	1987
09.	Akij Match factory Ltd.	Match	1992
10.	Akij Jute Mills Ltd.	Jute Yarn & Twine	1994
11.	Akij Cement Company Ltd.	Cement	1995
12.	Akij Textile Mills Ltd.	Cotton Yarn	1995
13.	Akij Pharmaceuticals Ltd.	Medicine	1996
14.	Akij Particle Board Mills Ltd.	Particle & Hardboard	1996
15.	Akij Computer Ltd.	Hardware & Software	1997
16.	Sonar Bangla Cement Ltd.	Cement	1998
17.	Akij Online Ltd.	Internet Service Provider	2000
18.	Akij Food & beverage Ltd.	Food & beverage	2006
19.	AkijZarda Factory Ltd.	Flavoured Chewing Tobacco	2000
20.	Nebula Ink Ltd.	Ink	2001
21.	Akij Institute of Technology Ltd.	IT Education & Training	2001
22.	Savar Industries (Pvt.) Ltd.		2001
23.	Afil Toiletries Ltd.	Toiletries	2003
24.	Akij Power Ltd.	CNG	2008
25.	Akij Poly Fibre Ind. Ltd.	Poly Fibre	2008
26.	Addin Hospital	Health care	
27.	Akij Securities	Corporate share broker house	2008

Each of the ventures of AKIJ Group is entitled to be profitable and this aspect makes them extremely financially strong in the market. Among all the ventures or units of Akij Group, Dhaka tobacco

industry is the most profitable one which compiles of the products like *AkijBiri*, *Dolphin match*, *FireFox match* and other shown below:



3.2. Statistical Data

Akij Group is not a public limited company and not enlisted in the stock exchange market. It is a complete privately owned venture with no external public share and corporate share. Each of the ventures of AKIJ Group is entitled to be profitable and this aspect makes them extremely financially strong in the market. The directors are the offspring of the late chairman and founder. With no debt in the market, Akij Group of Industries are operating and performing in the optimum level and is considered to be one of the top notch leading industries in Bangladesh. Some statistical facts of Akij Group is stated below:

- Total number of employees: 62000 (approx) in various categories.
- Annual turnover (revenue) of the entire group in year 2007-2008 was Tk.23.59 billion/ Tk.2358.66 (Crore) approx.
- Tax paid in year 2007-2008 was Tk.11.24 billion/ Tk.1124 (Crore) approx
- Tax paying amount is close to 3% of the annual national budget of Bangladesh.

3.3. Mission (Akij Group)

Core mission: *Reaching escalating heights in Bangladesh and beyond.*

AKIJ GROUP is committed to provide the best product/service quality to their targeted consumers and this commitment enhances them to accomplish their goal. Consumer satisfaction from their

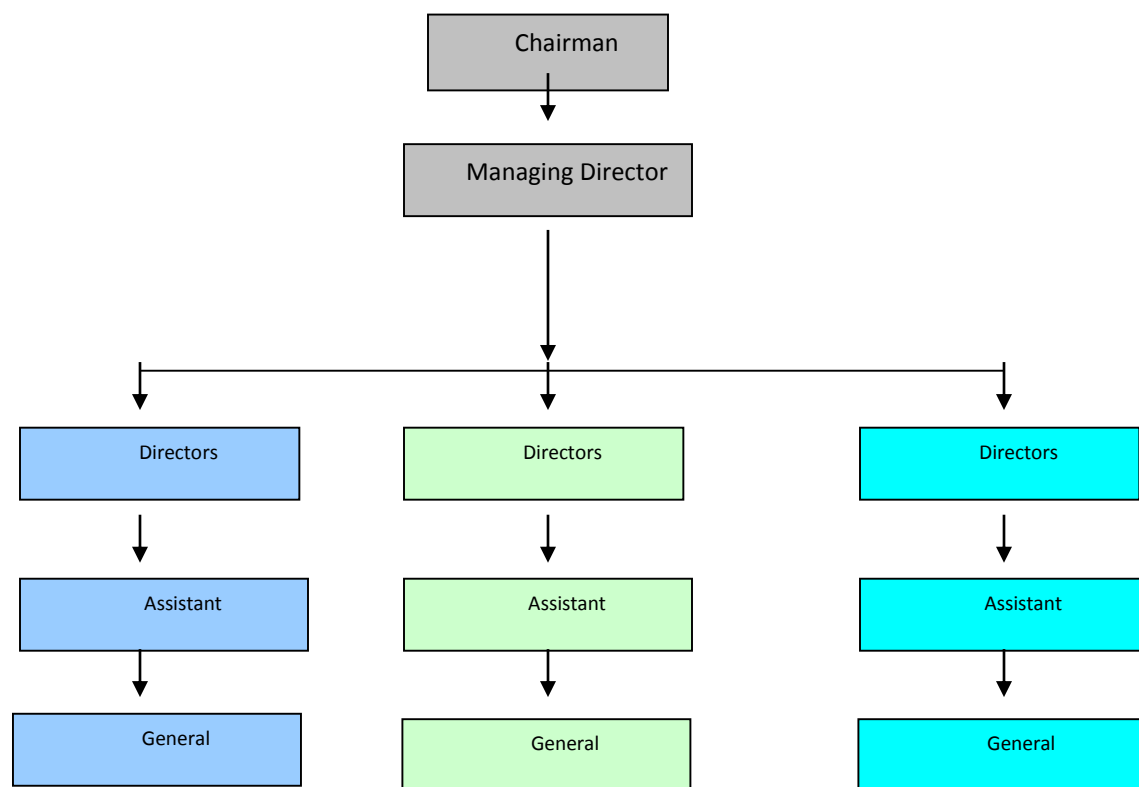
quality products is one of their major goals and thus sustainable product quality is the key concern of this company.

The 4ps of Product, Price, Place, and Promotion are subjected to their mission and to execute and coordinate them properly in order to sustain and enhance consumer satisfaction and also encounter proper profitability.

3.4. Organizational Structure (Akij Group)

Head office of Akij group is compiled in two multistoried building naming AKIJ Chamber & Mofiz Chamber situated in 73 Dilkusha C/A & 75 Dilkusha C/A, Motijheel, Dhaka. Business operations of all the companies are conducted in these two 12 floor and 8 floor corporate houses.

Akij Group maintains a mechanistic organizational structure where bureaucratic environment prevails in the work place. Decision making processes are very centralized towards the directors and top-level executives. Organogram of the group is graphically shown in the following:



Each of the companies has its own directors who are the offspring of Late Mr. Sheikh AkijUddin. And for each company there is assistant director and general manger accountable to the respective directors for their operations. The following departments:

☐Finance &AccountsDept

☐Audit Dept

☐Administration Dept

☐Human resource (HR) Dept

☐Purchase Dept

☐Import & Export Dept

☐Ad & Creative Dept

☐IT Dept

☐Transport Dept

Are common for each of the enlisted twenty-seven companies and each department has individual sub-units working separately for all the companies. *With all these, Akij Group has turn out to be a gigantic industry which compiles varies category of business and are raging success towards every sector. Lately Akij Group has captivated a huge venture in the beverage market of Bangladesh and has entered in the market with the name **AKIJ Food and Beverage Limited (AFBL)**.*

3.5. Overview: AKIJ FOOD & BEVERAGE LTD (AFBL)

3.5.1. AFBL: Background

The company Akij Food & Beveargae Ltd (AFBL), a unit of Akij group, came into business in year 2006. It incorporates manufacturing of variety sort of snack and beverage products and selling them to the local market as well as some of the international market. AFBL was a project of TK-450 crore (approx) and the investment was being made by the parent company Akij Group itself, no financial outsourcing was made. And any further investment needed will be supported by the parent company as well. Since the invasion of AFBL, the company is using its strong resources continuously to provide various ranges of products in different product lines to its customers.

3.5.2. Statistical Data

Some of the statistical facts are stated below:

- Total investment: Tk. 4.5 billion/450 Crore (approx)
- Turnover (revenue) in year 2010-2011: Tk 100 crore (approx)(heigly confidential)
- Total number of employees: 338 approx
 - *Sales & Marketing: 180 employees (approx)*
 - *Factory personnel: 158 employees (approx)*

Employees of the Departments of Finance & Accounts, Audit, Administration, Human resource (HR), Purchase, Import & Export, Ad & Creative, IT, Transport are NOT included in the 338 total employee list. Employees in these departments work for AFBL but they are considered to be the employees of AKIJ Group in their respective departments and all their salaries and benefits are disbursed as per Akij Group's notion not from AFBL.

➤ Revenue growth graph:

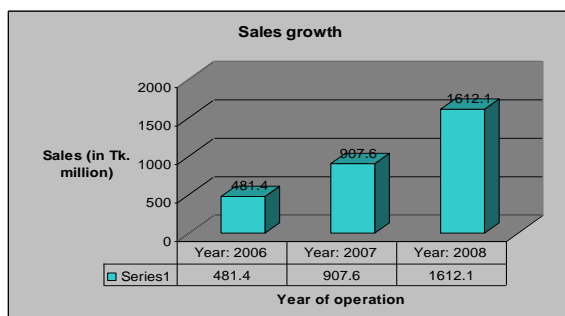


Figure: 1B

(Information in the graph are accurate and it is from AFBL source. Extreme confidentiality should be maintained)

- Sale revenue in year 2006 was Tk.481.4 million/ Tk.48.14 Crore (approx)
- Sale revenue in year 2007 was Tk.907.6 million/ Tk.90.76 Crore (approx)
 - Sales Growth rate (2007): 88.5%
- Sale revenue in year 2008 was Tk.1612.1 million/ Tk.161.21 Crore (approx)
 - Sales Growth rate (2008): 77.6%
- Sales revenue from Jan2009 to June2009 is Tk.1282.6 million/ Tk.128.26 Crore (approx) already. If forecasted sale for the other half year of 2009 is double the sale of the first half then total revenue for 2009 stand to be Tk.2565.2 million/ Tk.256.52 Crore (approx). Then expected Sales Growth (2009) rate would be: 60% approx.

The tag line of AFBL is “BRINGS QUALITY IN LIFE”

3.5.3. Mission:

To be the market leader in quality food & beverage sector discovering & satisfying the desire & need of the community working in harmony with our customers, employees and business partners.

3.5.4. Vision:

To be the leading food & Beverage brands excelling in product quality, social, technical & marketing creativity; and service to our customers through the skills and cordial commitment of our employees.

According to Late Mr. Sheikh AkijUddin regarding AKIJ Food and Beverage Limited (AFBL), *“We will manufacture and introduce those high quality products in the market that we ourselves and our family will always use; we will NOT just produce products for the consumers in the market and let our family consume other foreign products”.*

3.5.5. AFBL: Morale, Ethics & Values:

- Believing in quality and excellence in service
- Believing open communication, personal responsibilities, integrity, and active participation
- Supporting the creative diversity and share of ideas
- Building culture of learning based on leadership, teamwork, accountability, and co-operation.

3.5.6. Internal Situation Analysis

3.5.6.1. Capabilities of AFBL

Factory & Machinery:

Factory of Akij Food & beverage Ltd has been established in a beautiful site at Krishnapur, Dhamrai Dhaka. It has come with one of the best food & beverage industry in Bangladesh. All the machineries are being imported from two international well reputed companies in Germany naming *The KronesGroup, headquartered in Neutraubling, Germany* & *Ningbo Sipa Safety Equipment Co., Ltd.* All the machineries are fully automatic and digitally controlled. Such high-tech production plants that is sensible to reject products itself that fails to meet standard level that has been set. In total there are only six companies in the sub-continent using such sophisticated machineries to manufacture CSD products, and among those companies AFBL is one of them. This factor reflects the quality of the factory and the machineries which in turn reflects the quality standard of the products of AFBL. For any technical breakdown highly experienced and trained engineers are there to serve round the clock.

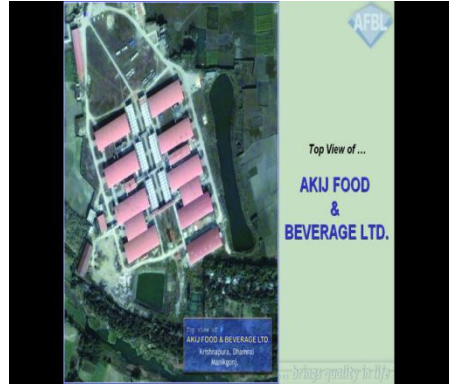




Photo: (Factory)





Photo: (Machinery)





Photo: (Machinery)





Photo: (Machinery)

Financial:

AFBL has a strong financial background as because 100% of its financial back up is being provided by the parent company AKIJ GROUP. All the initial investments regarding the establishment of the company, its products and even for the marketing purpose, the parent company provided full support. No financial out-sourcing such as debt or bank loan was being made by AFBL. Because of such strong financial back up, huge marketing activities, promotional campaigns were been possible for its products to strongly compete with its competitors. And now after three years of operation the company is solvent enough to finance its promotional activities by itself but if furthermore huge investments are required then AKIJ GROUP is always there to provide full flagged support.

Human resource:

AFBL believes that their teamwork is their greatest asset. Useful contributions made by each individual bring them much closer to their goals. AFBL made up of a group of passionate individuals, uniquely qualified from diverse disciplines but working towards their vision. AFBL ensures that their employees are provided with:

- A friendly and supportive environment that encourages their people to develop their potentials to an optimal level.
- A true quality of professionalism that can be found in all world-class multinational companies
- Team oriented professionals, who contribute to the greater whole of the organization through their participation in decision making situations.

Functional Departments

From the production till the selling of the AFBL's products, several departments work interconnected and they are outlined below:

- **Production dept:** This department handles the entire production process of AFBL's products
- **Marketing Dept:** This department is divided into four categories
 - Brand Dept: Develops the marketing and promotional strategies for AFBL's products and executes them.
 - Sales Dept: Forecast, Pursue, Co-ordinate & Monitor the entire nation wide sales of AFBL's products.
 - Sales-force Training Dept: Trains, pursue to work, motivates & monitors the sales force working in the field for AFBL.
 - Distribution Dept: Distributes accordingly the final products from the factory to the entire country's individual distribution points from where products of AFBL are being sold to the retail outlets.

The following departments: ***Finance & Accounts, Audit, Administration, Human resource (HR), Purchase, Import & Export, Ad & Creative, IT & Transport*** of AKIJ

GROUP conducts the department operation for AFBL to carry out and complete the departmental portfolio of Akij Food & Beverage Ltd

3.5.7. Organogram of AFBL is provided in the following page:

3.5.8. 4Ps ANALYSIS OF AFBL:

The 4ps analysis of a company involves detailed study of the company's Product, Price, Place and Promotion. Each of these segments of AFBL is exemplified below.

Products:

Akij Food & Beverage Ltd (AFBL) believes in providing optimum quality products to value its customers. All the high-tech machineries and factory site is established to enhance the capability to satisfy consumer needs in a profound quality processed manner.

AFBL has categorized its products in eight products line and each line incorporates various brands to captivate the market. Groups or the product line are been distinguished by the company based on the machinery used for manufacturing the products. AFBL has the planning of introducing more different and unique products in their product line and even they are planning to diversify more on their product line. Tabular presentation of the products as the product line is shown in next page:

Product line1 (CSD)	Product line-2 (Energy Drink)	Product line-3 (Non-Alcoholic Malt Beverage)	Product line-4 (Mineral Water)
<p>➤ MOJO</p> <p>(Bottle-250,500, 1000, 2000 ml, Can-150,250ml)</p> <p>➤ LEMU</p> <p>(Bottle-250,500,</p>	<p>➤ SPEED</p> <p>(Bottle-250ml, Can-250ml)</p>	<p>➤ WILD BREW</p> <p>(Can-250ml)</p>	<p>➤ SPA</p> <p>(Bottle- 500,1000, 2000ml)</p>

<p>1000, 2000 ml,</p> <p>Can-150,250ml)</p> <p>➤ CLEMON</p> <p>(Bottle-250,500,</p> <p>1000, 2000 ml,</p> <p>Can-150,250ml)</p> <p>➤ MOJO LIGHT (upcoming)</p>			
<p>Product line-6</p> <p>(Snacks)</p>	<p>Product line-7</p> <p>(Dairy Products)</p>	<p>Product line-8</p> <p>(TEA)</p>	

<ul style="list-style-type: none"> ➤ CHEEKY MONKEY ➤ CHEESE PUFF ➤ O’POTATO 	<ul style="list-style-type: none"> ➤ FIRM FRESH UHT (500ml) ➤ FIRM FRESH Pasteurized (500ml) <li style="text-align: center;"><u>UPCOMING</u> ➤ FIRM FRESH Butter, Ghee 	<ul style="list-style-type: none"> ➤ ICE-T Cold Tea (250ml) (upcoming) ➤ ICE-T Green Tea (250ml) (upcoming)
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Product Description:

Raw materials for the Carbonated Soft Drink (CSD), Energy drink and Malt Beverage products are import from following Germany Companies:

- *WILD GmbH & Co. KG ([Eppelheim](#), [Germany](#))*
- *Für Manish GmbH &Co. KG Ltd*
- *IFF International Flavors & Fragrance Inc. (Hamgurg, Germany)*

Raw materials for the juice (Pulp) and snack products (Potato & Masala) are imported from Germany & India. Dairy products are completely home made using Bangladeshi raw materials. Most of the AFBL’s product design, development format, and ingredient are being provided by the Germany company “***The KronesGroup GmbH &Co***”.

Derailed description of products is provided below:

MOJO

MOJO is a carbonated soft drink (CSD) in cola flavor. The packaging of the product is very attractive because of its color combination which is majority red and the art design printed on the bottle and can. AFBL is the first company to introduce full slive bottle packaging and this makes its product more attractive than other competing brands. All the bottle and can are made of high quality plastic and steel respectively and thus they are very handy, portable and easy to dispose. MOJO was launched in 14th April 2006 and since then the product is well accepted by its customer and has profoundly attain a good market share. Very soon MOJO light will be launched in the market to captivate the segment of diet cola drink.



LEMU

LEMU is a carbonated soft drink (CSD) in cloudy lemon flavor. The packaging is full slive and very attractive. The product was launched in 14th April 2006.



CLEMON

CLEMON is a carbonated soft drink (CSD) in clear lemon flavor. The packaging is full slive and very attractive. The product was launched in October 2007. The ingredient of Clemon is provided in APPENDIX-A



SPEED

SPEED is an energy drink that was launched in 14th April 2006 by AFBL and since from then, the brand could not capture consumer attraction and could avail only a very small amount of market share of energy drink. Then in 2009, Speed was re-launched by changing the product's packaging but keeping the ingredient intact. The re-launch turn out to be very successful and now the brands withholds the second biggest market share.



WILD BREW

Wild Brew is non-alcoholic malt beverage in which the primary ingredient is barley, which has been allowed to sprout ("malt") slightly before it is processed. The product has been launched by AFBL in November 2008. The category of the product is slow in our Bangladeshi market and captivates only 1% of our entire beverage industry.



FRUTIKA

FRUTIKA is a brand for juice product that is available in four different flavors.

- FRUTIKA Mango
- FRUTIKA Grape
- FRUTIKA Red orange
- FRUTIKA Mixed fruit



The products were launched in August 2008, and since the entrance in the market Frutika captivated a large share in the market because of its taste, packaging and unique promotional activation. The ingredient of the all types of Frutika is provided in APPENDIX-A

SPA

SPA is a mineral water that was launched by AFBL in April 2007. The product's full sleeve packaging makes it very attractive. The unique marketing communication and the products look assist it to make a moderate market share. The ingredient of the all types of Frutika is provided in APPENDIX-A



FARM FRESH

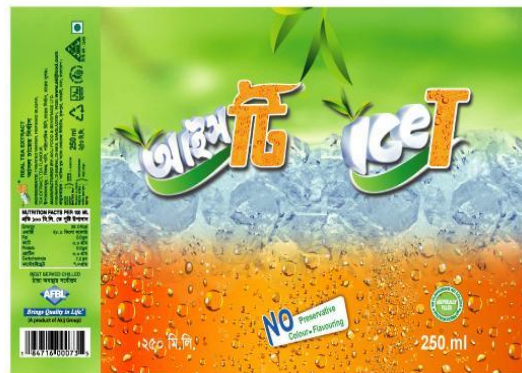
The brand FARM FRESH denotes dairy products of UHT milk and Pasteurized milk. The brand entered in the market in September 2007. The ingredients of the products are provided in APPENDIX-A.



❖ *SNACKS (Chips)*



UPCOMING Brands



Product Development Matrix

Product development matrix is a tool to analyze in which market with which category of product, a company has penetrated.

Product Development Matrix	Current Product	New Product
	Current Market	New Market
Current Market	<u>Market Penetration</u> <i>Combating with the current product in the current market.</i>	<u>Product Development</u> <i>Introduced new product in the current market.</i>
New Market	<u>Market Development</u> <i>Slanting the current product into a new arena/market.</i>	<u>Diversification</u> <i>Sense of innovation, by developing new product for a new market.</i>

As per AFBL's brand portfolio, the assortment of the brands in respect to the product development matrix is provided below:

PDM	Brands
<i>Product Development</i>	<ul style="list-style-type: none">➤ <i>MOJO</i>➤ <i>LEMU</i>➤ <i>CLEMON</i>➤ <i>SPEED</i>➤ <i>FRUTIKA</i>➤ <i>SPA</i>
<i>Diversification</i>	<ul style="list-style-type: none">➤ <i>WILD BREW</i>➤ <i>FARM FRESH (UHT Milk)</i>

Most of the AFBL's new products have been developed and launched in the current beverage market, with no market development made. But for the new products **Wild Brew & Farm Fresh**, new market of non-alcoholic malt beverage and UHT milk was developed.

Price:

Pricing is one of the crucial aspects of a products destiny to success and failure. There are many different methods of pricing a company can employ. But the main scrutiny is to strategically set the pricing that facilitates the company and the product as well. Various sorts of pricing methods are stated below:

▪ Competition-based pricing
▪ Cost-plus pricing
▪ Creaming or skimming
▪ Limit pricing
▪ Loss leader
▪ Market-oriented pricing
▪ Penetration pricing
▪ Price discrimination
▪ Premium pricing
▪ Predatory pricing
▪ Contribution margin-based pricing
▪ Psychological pricing
▪ Dynamic pricing
▪ Price leadership
▪ Target pricing
▪ Absorption pricing
▪ Marginal-cost pricing

In the beverage industry of Bangladesh, people are quite pricing sensitive and thus prices of almost all the competing products are same. AFBL does its products pricing in three steps.

- **Step-1**

Cost-Plus Pricing (The core method):

$$\boxed{\text{Production cost}} + \boxed{\text{Bottling cost}} + \boxed{\text{Packaging cost}} + \boxed{\text{Printing cost}} = \boxed{\text{Gross Price}}$$

It is the first step where AFBL calculates all the production related cost of its product to estimate a Gross price.

- **Step-2**

$$\boxed{\text{Gross Price}} + \boxed{\text{Mark up profit margin \{AFBL\}}} = \boxed{\text{Absolute price for the distributors}}$$

$$\boxed{\text{Absolute price for the distributors}} + \boxed{\text{Profit Margin \{Distributors\}}} = \boxed{\text{Absolute price for the final consumers}}$$

Profit margin is being added in this step by AFBL. Then distributor's margins are denoted to establish the ultimate Maximum Retail Price (MPR).

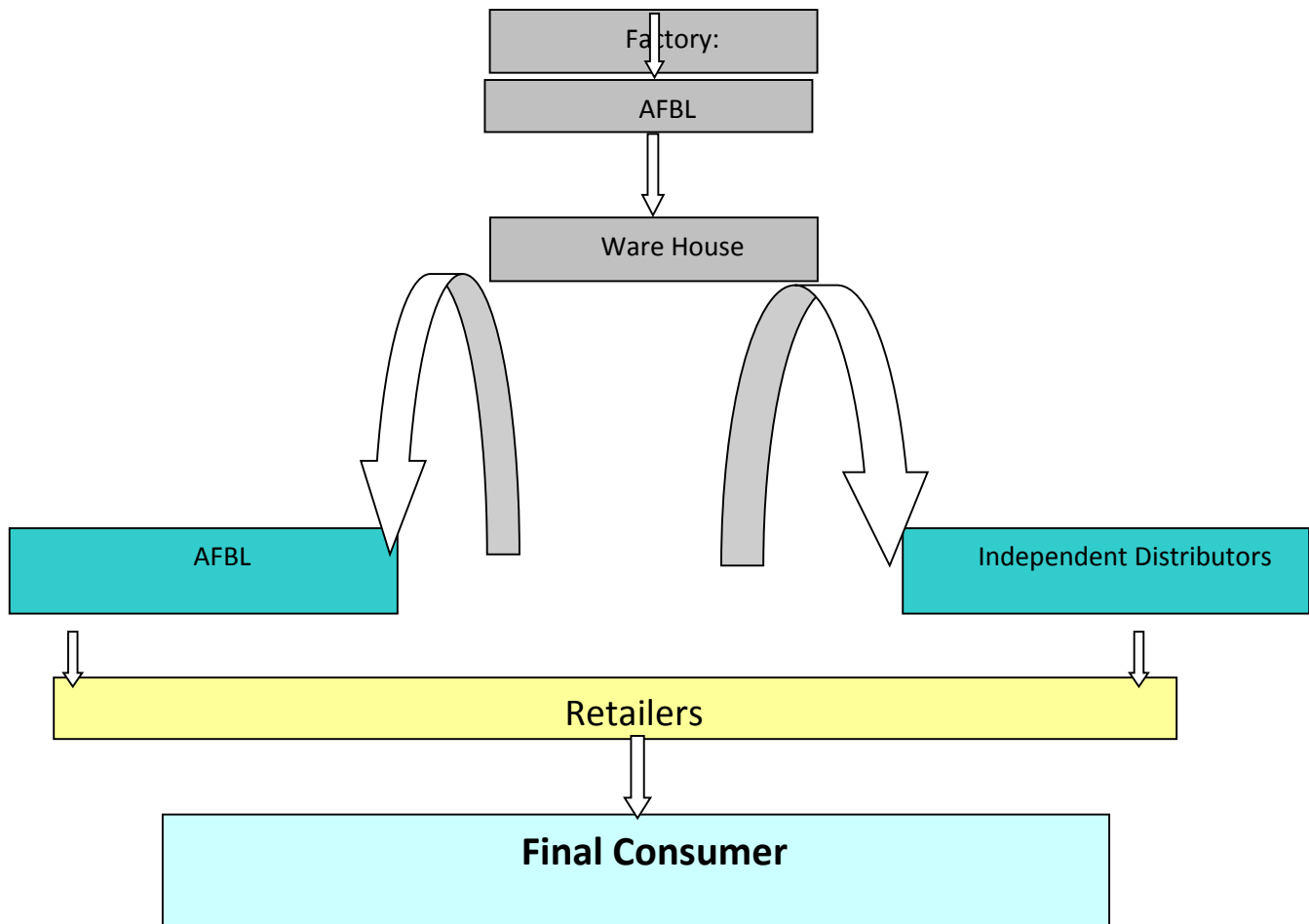
- **Step-3**

The ultimate price is then analyzed by AFBL using two methods:

- Competition-based pricing: Here AFBL identifies whether its product price is similar to the competitors or not. As because the beverage market is very price sensitive, thus price cannot be more than competitors and even cannot be very less than competitors as because it will impact the profitability. So the price has to be close to the competitors' price.
- Market-oriented pricing: Here AFBL justifies whether the price of its product is a price that will be accepted in the market and considered to be a market-oriented price rather than a price that will imbalance the market pricing philosophy.

Place:

Place means that pattern of distribution channel a company employs to make its products available to the final consumer. AKIJ GROUP OF INDUSTRIES is considered to have one the best distribution channel around the country. This profound distribution channel was specially been made to make their cigarette products available to the consumer in each and every part Bangladesh. AFBL inherited the advantage and was been able use the wide network distribution channel to promote and provide its products in each and every niche across the country. The distribution channel AFBL employs is called Dual Distribution Channel (DDC). In DDC, a company itself distributes the products and also incorporates large number distributes, who are individuals entities, to distributes the products to the final user. The graphical presentation of the ABFL's DDC is shown below:



Products from AFBL's factory are stored in the ware house situated in various parts of Bangladesh. For Dhaka, the ware house is at Tejgaon industrial area. Then the distribution dept at AFBL allocates the products to the distributors around the country. After the products are delivered from the ware house or factory to the distribution point, the distributing companies accordingly distribute them among the retailers to be sold to the final consumer. The distribution companies are individual entities who are considered to be the business partners of AFBL. Apart from this channel, AFBL has its own distributing wing established in some part of Bangladesh to make the products available to its customer. But where there is the establishment of AFBL's distributing wing, other distribution companies are NOT employed. This is because two channel in the same distribution point will create channel conflict that will intern effect the products selling and availability. AFBL solely do not want to depend on the distributors thus they have established Dual distribution channel.

AFBL has segmented the entire Bangladeshi market into 25 regions for its distribution purpose:

DHAKA-1	DHAKA-2	DHAKA-3	DHAKA-4	GAZIPUR
NORSINDI	ZINZIRA	NARAYANGONJ	MYMENSING	TANGAIL
CTG-1	CTG-2	CTG-3	SYLET	MOULOBIVABAZAR
COMILLA	CHOWMOHANI	KHULNA	KUSTIA	BARISAL
FARIDPUR	BOGRA	RAJSHAHI	RANGPUR	ZESSORE

For these regions, there are total of 263 approx distributing company who perform the distribution of AFBL's products. All of the companies are well trained and associated with the AFBL's products, business policies & strategies.

Promotion:

It is one of the most important facet of a company which it has to nourish in a very proper way to achieve optimum outcome. AFBL values the importance of promotion, because it believes no matter how high-quality, good taste, attractive packaging the product avails, it has to be properly communicated to the customer to pursue the final purchase. And to properly communicate the product with the customer, AFBL has a well structured Marketing Dept who are capable of developing projected strategic marketing plans.

The Marketing Dept of AFBL is assorted into four divisions all working interconnected:

☐Brand Dept ☐Sales Dept ☐Sales-force Training Dept ☐Distribution Dept

The entire marketing department is situated in the 2nd floor of MofizChamder, 75 Dilkusha C/A Dhaka.

AFBL has broadly categorized its promotional activities in two types:

➤ **Trade promotion (TP)**

All the strategy crafting, developing, implementing and monitoring of trade promotions are being done by the sales department. Trade promotions are targeted for the retainers and the distributors. It usually involves free products, cash incentives and gifts for the retainers and distributors for high volume purchase.

➤ **Consumer Promotion (CP)**

All the promotional activities that are targeted for the consumers are developed here. Strategy crafting, developing, implementing and monitoring of consumer promotions are being conducted by the Brand department. The Brand department compiles of well trained and experienced individuals designated as:

☐Director (Brand) ☐Brand manager ☐Brand executives ☐Event officers

☐Event executives ☐Brand officers ☐marketing officers ☐Graphic Designers

Business cards of each offices in the above designation is provided in APPENDIX-A

Each brand officer is designated with certain brands. And the brand executives are the head of all brand officers and they are entitled to the functioning of all the brands of AFBL. Event executives and officers are responsible for conducting various sort of events associating with individual brands of AFBL. They are responsible for sponsoring and developing events and associate it with any specific brand of AFBL to create a promotional act for AFBL. The Brand manager is the department head, to whom all other officials are accountable. And the Brand Manager is accountable to the Brand Director for the functioning of the Brand department.

The AD & Creative department of AKIJ GROUP assist AFBL's brand department for some of its operation regarding promotional strategy implementation. AFBL do not have their own in-house agency. They believe in creativity and so they think that if they hire outside agency to make their ads and promotions then they would get more benefits. According to them, by using an outside agency they can get services from highly skilled expertise in their chosen field. Currently AFBL is affiliated with two agencies that provides various sort of promotional services, starting from generating innovative promotional ideas and concepts, strategically coordinating them and till execution.

- ADCOMM LTD (*works for the brands **MOJO, CLEMON, FRUTIKA, SPA,***

FARM FRESH & CHIPS products)

- GREY, Bangladesh (*works for the brands **SPEED, LEMU, SPA, WILD BREW)***

AFBL incorporates yearly bases contract with the two agencies mention above. The contract implies the agencies to work with the specified brands of AFBL and the remuneration is given using a method called:

Retainer ship fee approach: AFBL pays a fixed certain amount of monthly fee to the Ad agencies. The fixed amount is paid even if the agency works every single day of the month and even if not working for a single day. The monthly fee has been set by a negotiation between AFBL and the Ad agencies.

AFBL strategically coordinates its Brand department with the outside Agencies in order to attain optimum outcome regarding the promotional activities, from both the entities. Analysis of the marketing and promotional strategies of AFBL is illustrated in the later part of the project.

Sales Forecast/ Promotional Budgeting

Sales Forecast:

Sales department of AFBL constructs the sales forecast of the product. Two types of forecasting are being done by the department:

Nation-wide Forecast: It is the long term forecast usually for one year. The term period is from July to June.

Area-wise Forecast: It is the short term forecast performed every month. The forecasting is made within the 25th to 28th of the respective month.

Usually revised forecasting is done after every six month but in special cases, for example Eid festival and other national event, it is done quarterly. Key officials associated with the forecasting purpose are Director (Sales), GM, AGMs, Sales Coordinators, Research officers etc.

No concrete method is used for the forecasting. Usually based on the market research, market growth, AFBL's potentiality, and officials' experience and judgment, the sale forecast is conducted.

Promotional budgeting:

The promotional budgeting of AFBL is carried out by the executives of the Brand department. The budgeting period is for one year (JUN-to-JULY). There are various sort of strategies that can be implied to construct budgeting for the promotional activities.

Two usual categories are Top-Down budgeting & Activity-Based budget.

Top-Down budgeting: It is an approach, where the company predetermines a fixed amount as a budget for conducting promotional activities.

Activity-Based budget: It is an Approach where the company does not construct any predetermined fixed amount. Budget is made based on the promotional activities that will be conducted within the specific period of time.

AFBL uses **Activity-Based budget** for all the products promotional activities. The one year (Jun to July) period budget is done based on the activities that will be conducted during the year for individual brands. Break down and process of budgeting is shown below:

5	MEDIA/ MONTH	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
6		Launching & Production Expenses												
7	LAUNCHING CEREMONY													
8	TVC Making													
9	RDC Making													
10	Shop sign board & Light Box Printing, Making & Fixing													
11	POSM Printing & fixing													
12	Bill Board Printing													
13	Transit adv. Printing													
14	Tactical Communicatio													
15	Road Show													
16	Still Photo Shoot													
17	Others													
18	Total Exp.													
19		Communication Expenses												
20	BTV													
21	ATN													
22	NTV													
23	ETV													
24	Bangla Vision													
25	Channel 1													
26	Channel - i													
27	RTV													
28	ITV													
29	Radio Today													
30	Radio Foorti													
31	Radio Amar													
32	Press Ad													
33	Magazine Ad													
34	Bill Board Rent													
35	Light Box - Bill													
36	Transit adv. Rent													
37	LED Adv. Rent													
38	Sampling													
39	DISPLAY RACK													
40	TP /CP													
41	Others													
42	Total Exp.													
43	Grand Total													0
44		Other Expenses												
45	Activation													
46	Agency payment													
47	Internet													
48	Others													

(Budget Plan Format)

For every product of AFBL, the budget plan format shown above is being made. The format used by AFBL shows month wise activities done for each and every Brand. Further breakdown of the percentage among ATL and BTL is illustrated by below:

Promotional Budget	Allocations for the specific medias	
ATL (Approx 60% of the promotion budget)	TV Advertisements and Rad advertisements - 70%	News paper/magazines & Billboard-30%
BTL (Approx 40% of the promotion budget)	Allocated as per requirement- no fixed percentile breakdow	

Majority of the promotional budget is being allocated to ATL among which electronic media which are TV and Radio is allocated 70% and other print media is allocated 30%.

For BTL the allocation is 40% among which percentile breakdown for the activities like sponsorship, various event organizing, specialized programs etc, is not being specified. The allocation solely depends on the requirement for each event.

The key people associated with the promotional budgeting are the Brand Executives, Event Executives & Brand officers. After the budget is constructed, it is then cross-checked by the Brand Manager (BM). After the approval from BM, the final assessment is being done by the Directors before the budget plans are executed. Quarterly the budget is reviewed for any alteration and if any changes are done, immediate actions are taken to keep the promotional budget plan constructive on track.

The monitoring and evaluation of the promotional activities is being conducted by the brand department with certain level of help from the sales and the internal research department. They rely on the combine effect from all the promotional activities. Sales department provides the report about sales growth or reduction. And internal research department provides report about the level of awareness and brand equity created by conducted different situational surveys. Analyzing information from both the departments, brand department evaluates the combine effect and performance of the entire promotional mix took place within a specific time frame.

3.5.9. SWOT ANALYSIS OF AFBL:

To analysis Strength, Weakness, Opportunity and Threat of AFBL, I have solely depended on the information from company.

<p><u>Strength:</u></p> <ul style="list-style-type: none"> ➤ Quick establishment of brands like MOJO, SPEED,FRUTIKA. ➤ Quality of the products. ➤ Availability of products through mass distribution around the country. ➤ High quality machineries and manufacturing system of AFBL. ➤ Unique promotional activities. ➤ Full Slive-Packaging in terms of color combination and design. ➤ Potable in terms of 150ml and 250ml bottle and can. 	<p><u>Weakness:</u></p> <ul style="list-style-type: none"> ➤ Less experience in the beverage market in terms of understanding in timely proper customer need. ➤ Some improper promotional activities. ➤ Being new in the market AFBL considers a weakness in the entire supply-chain-management.
<p><u>Opportunity:</u></p> <ul style="list-style-type: none"> ➤ Huge profitability scope in beverage market of Bangladesh because a sustainable growth of 6% prevails in the market. ➤ There is a scope for the local companies to attaining maximum market share for the refreshing flavored CSD drink. ➤ Opportunity for AFBL products to be exported in the overseas Asian market. 	<p><u>Threat:</u></p> <ul style="list-style-type: none"> ➤ Unethical practice of the competitors, for example tax violation, to reduce the price of the product. ➤ Companies like Coca-Cola and Pepsi to be operated as MNCs like Unilevel rather than the licensing owned by the local Bangladeshi company. ➤ Any new company introducing unique flavored refreshing drinks and having huge financial capabilities.

3.5.10. Competitors Portfolio:

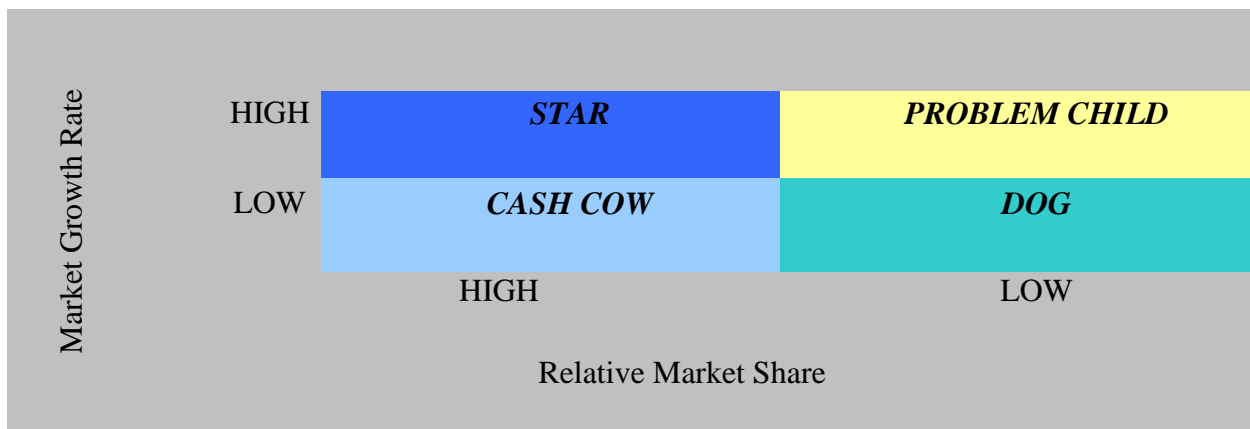
A competitive environment prevails in the beverage industry of Bangladesh. Many giant local and multinational companies project rivalry in the market and perform rigorous operation to attain maximum market share. AFBL's competitor list as per the product category is presented in the following:

<u>Product Category</u>	<u>AFBL: Brands</u>	<u>Competitors' Brands</u>
Carbonated Soft Drink (CSD) COLA	<ul style="list-style-type: none"> ▪ MOJO 	<ul style="list-style-type: none"> ▪ Coca-cola ▪ Pepsi ▪ RC Cola ▪ URO Cola ▪ ZamZam Cola ▪ Max Cola ▪ Virgin Cola
Carbonated Soft Drink (CSD) CLOUDY LEMON	<ul style="list-style-type: none"> ▪ LEMU 	<ul style="list-style-type: none"> ▪ RC Lemon ▪ URO Lemon ▪ ZomZomLemon ▪ PRAN Lemon
Carbonated Soft Drink (CSD) CLEAR LEMON	<ul style="list-style-type: none"> ▪ CLEMON 	<ul style="list-style-type: none"> ▪ 7UP ▪ Sprite ▪ Pran-up ▪ Fizz-up ▪ Chaser ▪ Bubble-up ▪ Virgin-Clear
Energy Drink	<ul style="list-style-type: none"> ▪ SPEED 	<ul style="list-style-type: none"> ▪ Tiger ▪ Big Boss ▪ Shark ▪ Black Horse ▪ Bacchus ▪ Sting
Mineral water	<ul style="list-style-type: none"> ▪ SPA 	<ul style="list-style-type: none"> ▪ Mum ▪ Fresh ▪ Acme ▪ Jibon ▪ Pran ▪ Shanti ▪ Fyne ▪ Niagra ▪ Duncans
Non-Alcoholic Malt Beverage	<ul style="list-style-type: none"> ▪ WILD BREW 	<ul style="list-style-type: none"> ▪ Crown ▪ Holstein ▪ 3-Horse ▪ Backer's

Fruit Juice	<ul style="list-style-type: none"> ▪ <i>FRUTIKA</i> 	<ul style="list-style-type: none"> ▪ <i>Frooto</i> ▪ <i>Pran Juice</i> ▪ <i>Acme Juice</i> ▪ <i>Shezan Juice</i> ▪ <i>Others (Foreign Brands)</i>
Dairy products: UHT milk	<ul style="list-style-type: none"> ▪ <i>FARM FRESH</i> 	<ul style="list-style-type: none"> ▪ <i>Milk-Vita</i> ▪ <i>Arong Milk</i> ▪ <i>Pran UHT</i> ▪ <i>Aftab UHT</i>

3.5.11. BCG Growth Share Matrix:

BCG Growth share matrix helps to identify brands position in the market as per market share. The matrix has four segments each reflecting a position of a brand for the company.



STAR: A product in this segment denotes to have high market share when the industry is experiencing high market growth.

CASH COW: Product in this segment tends to have maximum market share when the industry is floating in low market growth

PROBLEM CHILD: Product in this segment tends to make least market share when there is high market growth in the industry

DOG: Product in this segment trends to be a burden for the company as there is low market growth and the product avails limited market share.

Graphical presentation of AFBL's Brands as per growth share matrix:

Market Growth Rate	HIGH	<ul style="list-style-type: none"> ▪ MOJO ▪ SPEED ▪ FRUTIKA 	<ul style="list-style-type: none"> ▪ LEMU ▪ CLEMON ▪ FARMFRESH ▪ SPA
	LOW	CASH COW	▪ WILD BREW
		HIGH	LOW
		Relative Market Share	

AFBL is operating in the beverage industry for only 3 years and within this time span it has the following three brands in the STAR grid which reflects a great prosperity for the company.

- **MOJO:** (Market share: 27% & Market position: 03)
- **SPEED:** (Market share: 36% & Market position: 01)
- **FRUTIKA:** (Market share: 32% & Market position: 02)

It has four brands (Lemu, Clemon, Spa, Farm Fresh) in the Problem Child grid and one (Wild Brew) in the DOG grid, but this is only an assessment of a company aging only 3 years. In future operations, AFBL tends to strategically shift its brands in Problem Child and Dog to Star or Cash Cow category.

3.6. ANALYSIS OF THE MARKETING STRATEGIES OF CLEMON

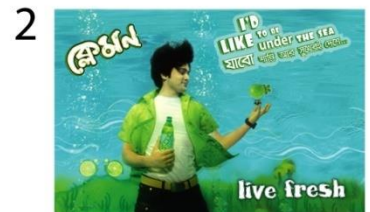
Marketing strategies and communicational theme of AFBL's brands are developed by the combine effort of the brand department and the advertising agencies (Adcomm& Grey). Many strategic themes are proposed by the agencies and the brand department analyzes and polishes them to make it

applicable for implementation. There are several marketing strategies such as Experiential Marketing, **One-to-One Marketing, Permission Marketing, Relationship Marketing, and After Marketing etc.** Clemon's marketing strategies of AFBL's products are analyzed below:

CLEMON

CLEMON was launched with an innovative idea. The strategic marketing/communicational theme of CLEMON is ***“LIVE FRESH—I Would Like To Be Under The Sea- JaboShantir r Shukher Dese.*** The projected idea is that when customer consumers the product, they will feel like under the sea in a dream land of joy and happiness.

The Brand is also associated with the sport culture in our country. CLEMON exhibits and promotes Bangladesh Cricket by developing a cricket team that plays division qualifying cricket games in our country. The Brand plans to develop at least one player to play in our international cricket team and operate as a CLEMON brand ambassador.



3.7. In-depth Interview:

Reference Group for the Soft Drinks: result of in-depth interview with brand officer of Clemon soft drink:

Generally the marketers of soft drinks think that the customers of their product are influenced by different reference group (SumitChakraborti, 2009). Other than this I found from in depth interview

that different marketers target different customers for their product. Marketers of Clemon Soft Drink disclose that their target customers are the people between 12-35 years old who tend to be fresh all the time.

They consider the following parties that influence their consumers:

- Family members
- Peer groups
- Culture
- Celebrities
- Friends
- Consumers own personality and status
- Coworkers
- Other consumers
- Relatives etc.

These are the individual factors that can influence the consumers to choose a specific brand to purchase soft drinks.

Consumers gather information before purchase a soft drinks from family members, peer group, friends (not formal friends), coworkers, and sometime relatives. So it can be said that these parties exert the informational influence on purchase decision.

At the same time consumes try to consider the others expectations and desire they also exert utilitarian influence.

Every consumer tends to show themselves to others. They want that people look at them in asocial eyes.

Findings an Analysis:

4.1. Frequency Analysis:

Demographic Analysis:

1. Gender:

Table 1: Gender

	Frequency	Percent	Valid Percent
Male	130	75.6	75.6
Female	42	24.4	24.4
Total	172	100.0	100.0

This table shows that out of 172 respondents; male are 75.6% & 24.4% respondents are female. So it may be said that most of the consumers of soft drinks is male.

2. Occupation:

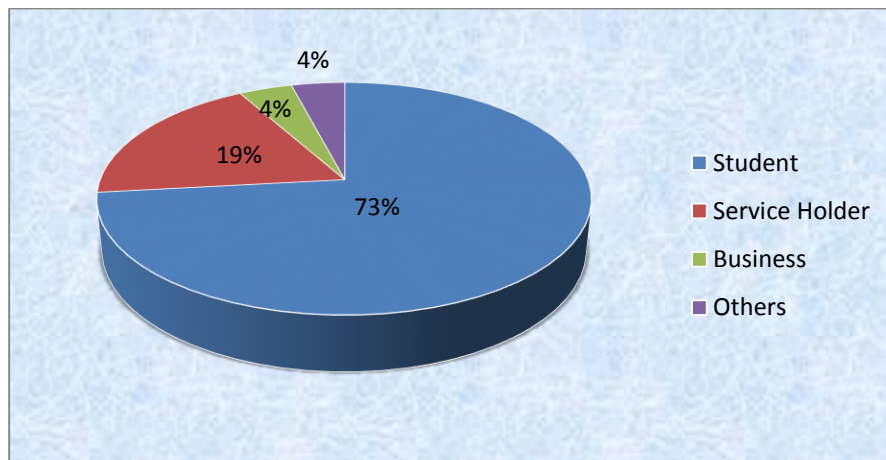


Figure 1: Occupation of the Customers

This Figure shows that out of 172 respondents: 73% of the respondents' are students, 19% of the respondents' are service holder, 4% of the respondents' are businessperson, and 4% of the respondents are in others profession. So it may conclude that most of the soft drinks consumers are students.

3. Education Level:

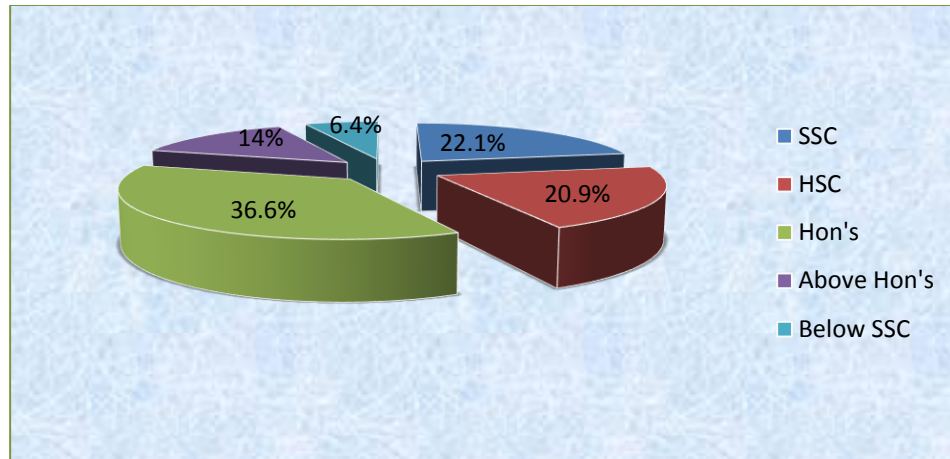


Figure 2: Education Level of the customers

This Graph shows that out of 172 respondents there 36.6% respondents are in the Hon's level, and 20.9% respondents in the HSC level students. SSC students are 22.1% and above Hon's respondents are 14%. And 6.4% respondents are in below SSC level.

4. Cross Tabulation:

Table 2: Cross Tabulation between Friends' Evaluation and Education

Friends Evaluation * Education Cross tabulation							
		Education					Total
	Categories	SSC	HSC	Hon's	Above Hon's	Below SSC	
Friends Evaluation	Strongly Disagree	0	2	5	0	0	7
	Disagree	4	5	2	2	3	16
	Neutral	8	15	10	13	6	52
	Agree	26	14	43	6	2	91
	Strongly Agree	0	0	3	3	0	6
Total		38	36	63	24	11	172

From the table we can say that respondents in the Hon's level are more agreed that their friends' evaluation can influence their decision. Then SSC level students are also agreed with this statement.

5. Income Level:

Table 3: Income Level of Customers

Categories	Frequency	Percent	Valid Percent
Nil-2000	76	44.2	44.2
2000-5000	43	25.0	25.0
5000-10000	23	13.4	13.4
10000-20000	14	8.1	8.1
20000-Above	16	9.3	9.3
Total	172	100.0	100.0

This table shows that out of 172 respondents: 44.2% of the respondents' income level is below 2000, 25.0% of the respondents' income level is 2000-5000, 13.4% of the respondents' income levels are 5000-10000, and 8.1% respondents' income level is 10000-20000 and only 9.3% of the respondents' income level 20000-above. So it may be said that most of the consumers are in low income level.

6. Age:

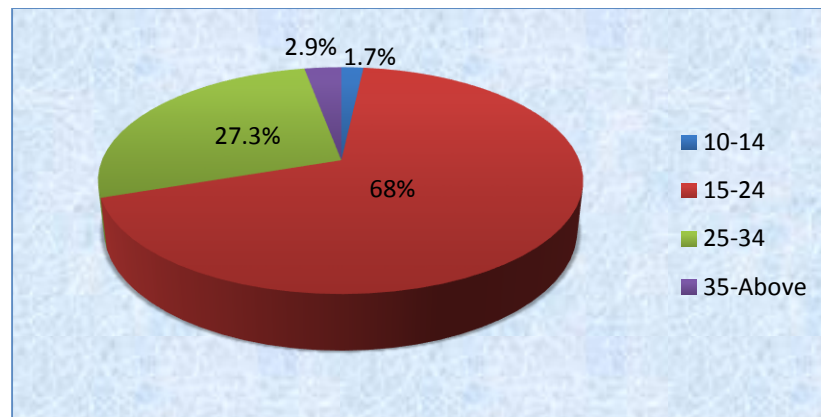


Figure 3: Age of the customers

It shows that out of 172 respondents: 68% of the respondents' age is between 15-24 years, 27.3% of the respondents' age is between 25-34 years, 2.9 % of the respondents' age is between 35 to above, and only 1.7 % of the respondents' age is between 10-14 years.

7. Rank Order of the factors:

Table 4: Rank Order of influencing factors

Factors	N	Mean	Position
---------	---	------	----------

Own personality	172	1.7000	1 st
Family Members	172	2.6000	2 nd
Friends	172	2.9000	3 rd
Relatives	172	4.5000	4 th
Peer group	172	5.8000	5 th
Culture	172	6.1000	6 th
Celebrities	172	6.2000	7 th
Coworkers	172	7.0000	8 th
Other consumers	172	7.5000	9 th
Total Respondents	172		

**Note: The most influencing factor is ranked as 1 then 2 and 3*

This table shows that consumers own personality in the most influencing factor is own personality that mean is lowest than others (1.70), followed by, the family members, friends, relatives, peer group, culture, celebrities, coworkers, and other consumers.

Informational Influence Analysis:

8. Search Information from those who know more about SD:

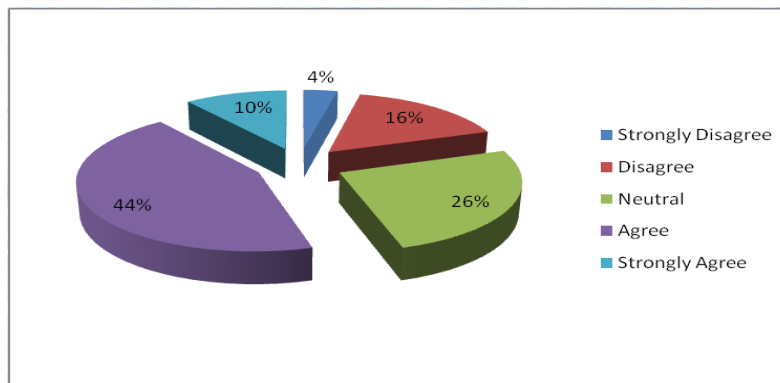


Figure 4: Search Information from those who know more about SD

This figure shows that out of 172 respondents: 44 % of the respondents are agreed, 26 % of the respondents are neutral, 16 % of the respondents are disagreed, 10 % of the respondents are strongly agreed and only 4 % of the respondents are strongly disagreed that they search information from those who know more about soft drinks.

9. Seek information from those who work in soft drinks (SD) company:

Table 5: Seek information from those who work in soft drinks (SD) company

Seek information from those who work in soft drinks (SD) company
--

	Frequency	Percent	Valid Percent
Strongly Disagree	20	11.6	11.6
Disagree	27	15.7	15.7
Neutral	51	29.7	29.7
Agree	69	40.1	40.1
Strongly Agree	5	2.9	2.9
Total	172	100.0	100.0

This table shows that out of 172 respondents: 40.1 % of the respondents are agreed, 29.7 % of the respondents are neutral, 15.7 % of the respondents are disagreed, 11.6 % of the respondents are strongly disagreed and only 2.9 % of the respondents are strongly agreed that they seek information from those who work in soft drinks.

10. Collect Information from friends, family members, relatives, coworkers:

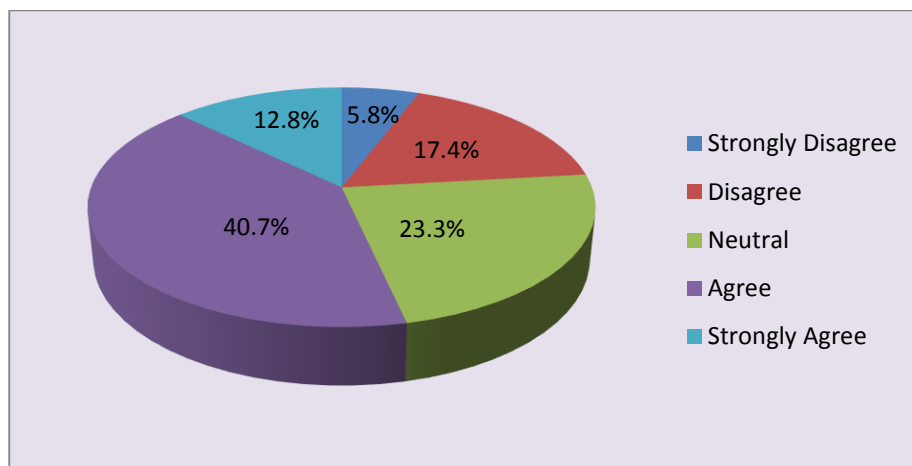


Figure 5: Collect Information from friends, family members, relatives, coworkers

This figure shows that out of 172 respondents: 40.7 % of the respondents are agreed, 23.3 % of the respondents are neutral, 17.4 % of the respondents are disagreed, 12.8 % of the respondents are strongly agreed and only 5.8 % of the respondents are strongly disagreed that they collect information from friends, neighbors, relatives or work associates.

11. Change mind if I see that retailers use specific brands:

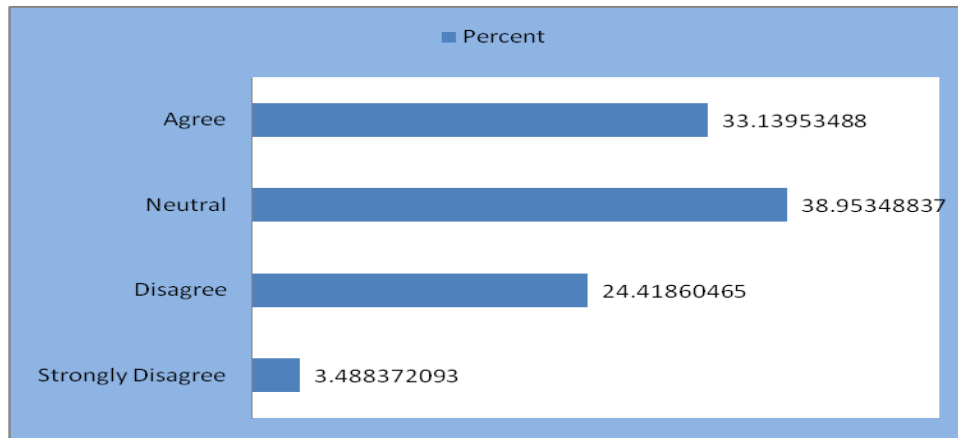


Figure 6: Change mind if I see that retailers use specific brands

This graph shows that out of 172 respondents: 39 % of the respondents are neutral, 33% of the respondents are agreed, 24 % of the respondents are disagreed, 3.5 % of the respondents are strongly disagreed that If they see the soft drinks' brand which is used by soft drinks retailers, they may change their mind.

12. My choice of soft drinks is influenced by other consumers' who consume specific brands.

Table 6: My choice of soft drinks is influenced by other consumers' who consume specific brands.

My choice of soft drinks is influenced by other consumers' who consume specific brands				
		Frequency	Percent	Valid Percent
Valid	Strongly Disagree	12	7.0	7.0
	Disagree	56	32.6	32.6
	Neutral	32	18.6	18.6
	Agree	47	27.3	27.3
	Strongly Agree	25	14.5	14.5
	Total	172	100.0	100.0

This table shows that out of 172 respondents: 32.6 % of the respondents are disagreed, 27.3 % of the respondents are agreed, 18.6 % of the respondents are neutral, 14.5 % of the respondents are strongly agreed and only 7 % of the respondents are strongly disagreed that their choice of soft drinks is influenced by other consumers who consume specific brands.

13. I valued information the most that my family members provide about soft drinks:

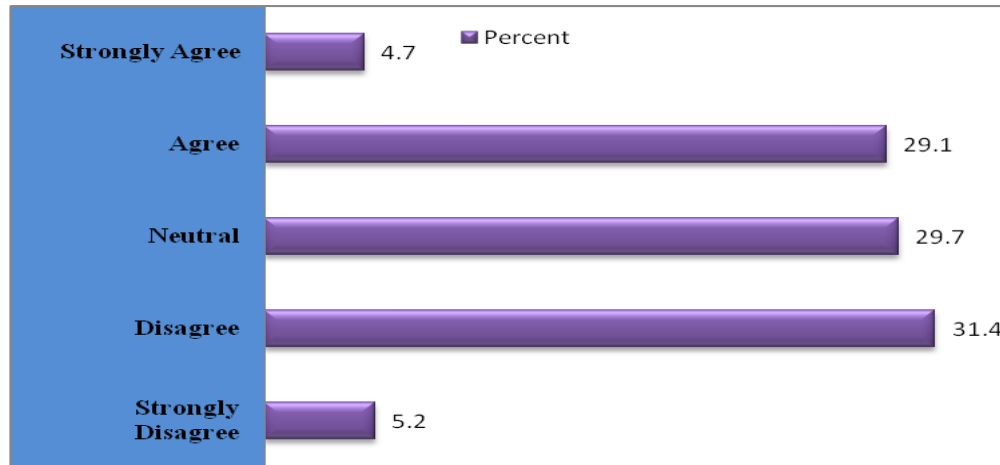


Figure 7: valued information the most that my family members provide about soft drinks.

This graph shows that out of 172 respondents: 31.4 % of the respondents are disagreed, 29.1 % of the respondents are agreed, 29.7 % of the respondents are neutral, 4.7% of the respondents are strongly agreed and 5.2 % of the respondents are strongly disagreed that they valued information the most that their family members provide about soft drinks.

14. Which information the consumers collect from others:

Table 7: Rank order of Information collect from others

Type of Information	Mean	Position
Taste Related	1.6154	1 st
Brand Related	1.6429	2 nd
Price Related	2.3636	3 rd
Hygiene Related	2.7500	4 th
Packaging Related	3.0000	5 th

**Note: The most collected information is ranked as 1 then 2 and 3...*

From the table we can see that consumers collect the taste related information most from others (1.6154), followed by brand related, price related, hygiene related and poorly packaging related information.

Utilitarian Influence Analysis:

15. My friends' evaluation and preference will influence my choice:

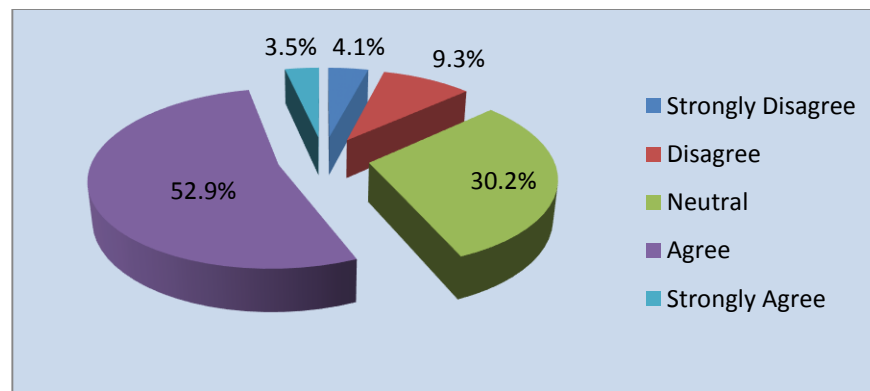


Figure 8: My friends' evaluation and preference will influence my choice.

This figure shows that out of 172 respondents: 52.9 % of the respondents are agreed, 30.2 % of the respondents are neutral, 9.3 % of the respondents are disagreed, 3.5 % of the respondents are strongly agreed and only 4.1 % of the respondents are strongly disagreed that their friends' evaluation and preference will influence their choice.

16. Other people's recommendation may influence my final decision:

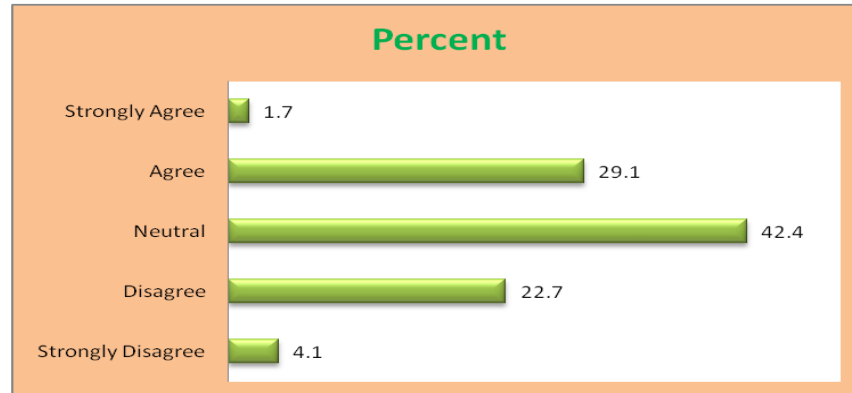


Figure 9: Other people's recommendation may influence my final decision.

This graph shows that out of 172 respondents: 42.4% of the respondents are neutral, 29.1 % of the respondents are agreed, 22.7 % of the respondents are disagreed, 4.1 % of the respondents are strongly disagreed and only 1.7 % of the respondents are strongly agreed that other people's recommendation may influence their final decision.

17. The preferences of family members can influence my choice of soft drinks most:

Table 8: The preferences of family members can influence choice of soft drinks most.

	Frequency	Percent	Valid Percent
Strongly Disagree	8	4.7	4.7
Disagree	40	23.3	23.3
Neutral	46	26.7	26.7
Agree	54	31.4	31.4
Strongly Agree	24	14.0	14.0
Total	172	100.0	100.0

This table shows that out of 172 respondents: 31.4 % of the respondents are agreed, 26.9 % of the respondents are neutral, 23.3 % of the respondents are disagreed, 14 % of the respondents are strongly agreed and only 4.7 % of the respondents are strongly disagreed that *the preferences of family members can influence their choice of soft drinks most.*

18. To consider my classmates' preference my decision to purchase soft drinks is influence much.

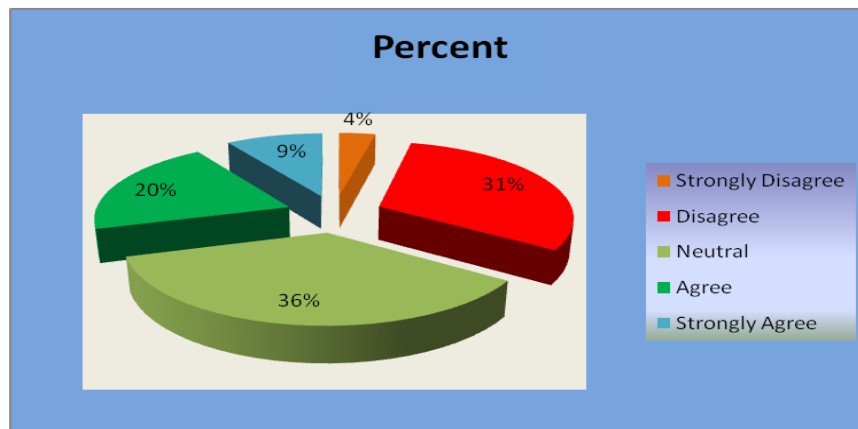


Figure 10: To consider classmates' preference decision to purchase soft drinks is influenced much.

This figure shows that out of 172 respondents: 36 % of the respondents are neutral, 31 % of the respondents are disagreed, 20 % of the respondents are agreed, 9 % of the respondents are strongly agreed and only 4 % of the respondents are strongly disagreed that *to consider classmates' preference their decision to purchase soft drinks is influenced much.*

Value Expressive Influence:

19. I tend to choose those brands that will enhance my image in others' eye:

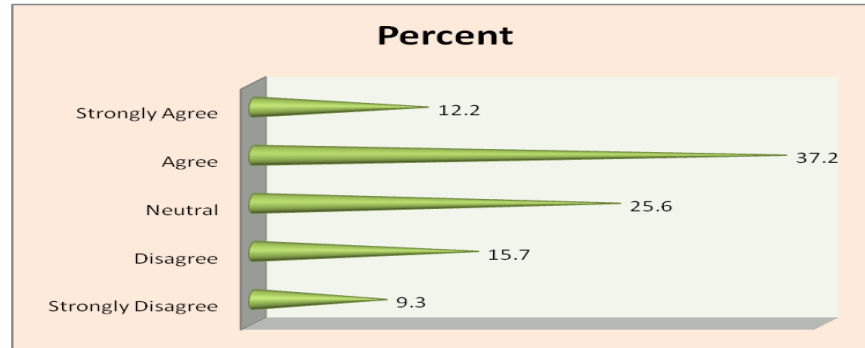


Figure 11: *Tend to choose those brands that will enhance consumers' image in others' eye.*

This figure shows that out of 172 respondents: 25.6 % of the respondents are neutral, 37.2 % of the respondents are agreed, 15.7 % of the respondents are disagreed, 12.2% of the respondents are strongly agreed and only 9.3 % of the respondents are strongly disagreed that they tend to choose those brands that will enhance consumers' image in others' eye.

20. I feel that those who purchase or use the soft drinks of a particular brand possess the characteristics which I would like to have:

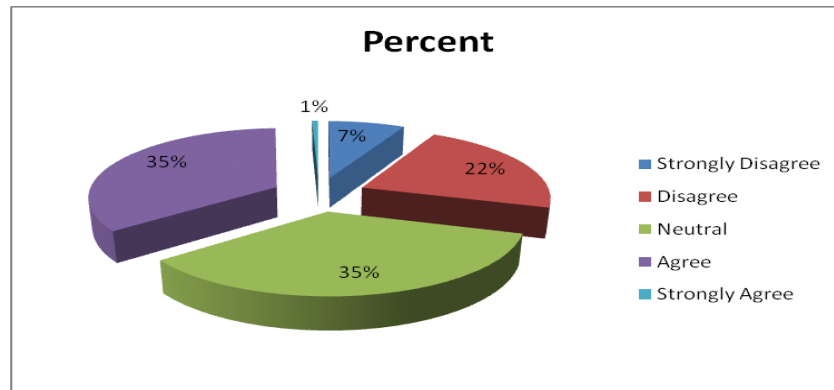


Figure 12: *I feel that those who purchase or use the soft drinks of a particular brand possess the characteristics which I would like to have.*

This figure shows that out of 172 respondents: 35 % of the respondents are neutral, 35 % of the respondents are agreed, 22 % of the respondents are disagreed, 7 % of the respondents are strongly disagreed and only 1 % of the respondents are strongly agreed that they feel those who purchase or use the soft drinks of a particular brand possess the characteristics which they would like to have.

21. I think that the people who purchase the soft drinks of particular brand (e.g., Pepsi, Coca Cola, Mojo, Clemon, Fanta, Pran Up etc.) are sometimes valued by others:

Table 9: Consumers think those who consume other brand sometimes valued by others.

Sometimes valued by others					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	4.1	4.1	4.1
	Disagree	26	15.1	15.1	19.2
	Neutral	80	46.5	46.5	65.7
	Agree	53	30.8	30.8	96.5
	Strongly Agree	6	3.5	3.5	100.0
	Total	172	100.0	100.0	

This table shows that out of 172 respondents: 46.5 % of the respondents are neutral, 30.8 % of the respondents are agreed, 15.1% of the respondents are disagreed, 3.5% of the respondents are strongly agreed and 4.1 % of the respondents are strongly disagreed that those who consume other brand are sometimes valued by others.

22. Using the soft drinks of a particular brand helps me to show others who I am, or who I would like to be (such as successful actresses, a female professional, etc.):

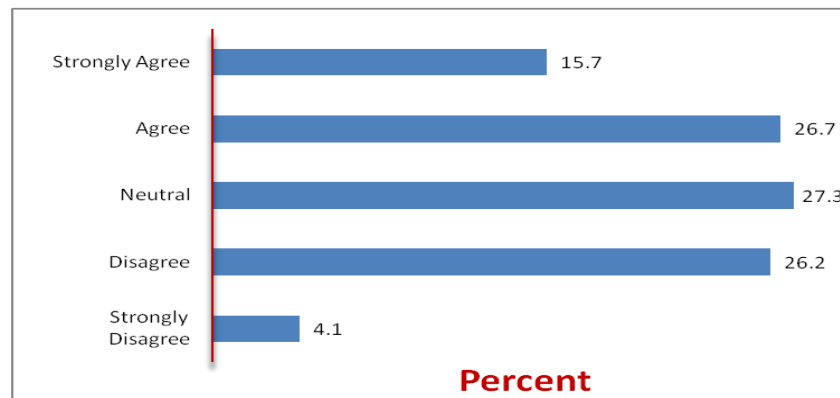


Figure 13: Brand helps consumers to show others who they are, or who they would like to be.

This table shows that out of 172 respondents: 27.3 % of the respondents are neutral, 26.7 % of the respondents are agreed, 26.2 % of the respondents are disagreed, 15.7 % of the respondents are strongly agreed and only 4.1 % of the respondents are strongly disagreed that they search information from those who know more about soft drinks.

4.2. Descriptive Statistics:

Table 10: Descriptive Statistics of Informational influencing factors

Factors	N	Mean	Std. Deviation	Std. Error Mean
Search information from those who know more about soft drink.	172	3.4186	.99666	.07599
Seek information who works in soft drink company.	172	3.0698	1.06832	.08146
Collect information from friends, neighbors, relatives.	172	3.3721	1.09274	.08332
If see soft drink used by the retailers change the mind.	172	3.0174	.84793	.06465
Other consumers' who consume specific brads	172	3.0988	1.20748	.09207

The result of the descriptive statistical analysis of informational influence of reference group on consumers decision making presented in table 10 reveals that '*Parties who know more about soft drinks*', according to mean score, is the most influencing reference group followed by '*Family members, relatives, coworkers, friends*', '*Other consumers*', '*Those who work in soft drink company*' also have the power to influence. However, to determine whether the mean on the informational factors are above average (a score of more than 3) the following hypothesis has been tested for each item separately.

Null hypothesis (H_0): Informational factors have no impact on consumers purchase decision making of soft drink (i.e. $H_0 \leq 3$).

Alternate hypothesis (H_A): Informational factors have an impact on consumers purchase decision making of soft drink (i.e. $H_A > 3$).

Table 10.1: Result of Test of Hypothesis for above average factors on consumers' decision making of soft drinks.

Factors	t	Sig.	Mean Difference	Conclusion
Search information from those who know more about soft drinks.	5.508	.000	.41860	H₀ is rejected; H_A is not rejected
Seek information who works in soft drink company.	.856	.393	.06977	H_A is rejected; H₀ is not rejected
Collect information from friends, neighbors, relatives.	4.466	.000	.37209	H₀ is rejected; H_A is not rejected
If see soft drink used by the retailers change the mind.	.270	.788	.01744	H_A is rejected; H₀ is not rejected
Other consumers' who consume specific brands.	1.074	.285	.09884	H_A is rejected; H₀ is not rejected

**Note: at 5% significance level*

The t-test result (table 10.1) shows that 'Search information from those who know more about soft drinks'; 'collecting information from friends, family members' have an impact on purchase decision making of soft drinks.

Table 11: Descriptive Statistics of Utilitarian influencing factors:

Factors	N	Mean	Std. Deviation	Std. Error Mean
Friends evaluation	172	3.4244	.86524	.06597
Others people's evaluation	172	3.0174	.86838	.06621
Preference of family members	172	3.2674	1.10739	.08444
Classmates' Preference	172	3.0116	1.01445	.07735

According to mean score we can say that respondents are influenced by their 'friends evaluation' the most than 'family members' and then 'classmate's preference but 'other consumers have no impact on their decision'.

The following hypothesis has been tested for each item separately.

Null hypothesis (H_0): Utilitarian factors have no impact on consumers purchase decision making of soft drink (i.e. $H_0 \leq 3$).

Alternate hypothesis (H_A): Utilitarian factors have an impact on consumers purchase decision making of soft drink (i.e. $H_A > 3$).

Table 2.1: Result of Test of Hypothesis for utilitarian influencing factors on consumers' decision making of soft drinks.

Factors	t	Sig.	Mean Difference	Conclusion
Friends evaluation	6.433	.000	.42442	H_0 is rejected; H_A is not rejected
Others people's evaluation	.263	.793	.01744	H_A is rejected; H_0 is not rejected
Preference of family members	3.167	.002	.26744	H_0 is rejected; H_A is not rejected
Classmates' Preference	.150	.881	.01163	H_A is rejected; H_0 is not rejected

**Note: at 5% significance level*

The t-test result (table 11.1) shows that 'friends evaluation', 'preference of family members' have an impact on purchase decision making of soft drinks.

Table 3: Descriptive Statistics of Value Expressive influencing factors:

Factors	N	Mean	Std. Deviation	Std. Error Mean
Enhance Image to others' eye.	172	3.2733	1.15002	.08769
Characteristics that customers would like to have (Role Model).	172	2.9884	.94892	.07235
Sometimes valued by others	172	3.1453	.86304	.06581
Brand helps customers to show who they are and who they would like to be (Own personality).	172	3.2384	1.12709	.08594

From the table we can say that all the factors related to the value expressive influence have impact on the purchase decision except 'characteristics of others'. Because all the mean values of the factors are above average that are more than 3 except 'role model'. The most influencing factors according to mean score is perception that brand 'enhance image to others' eyes' then 'own personality'.

The following hypothesis has been tested for each item separately.

Null hypothesis (H_0): Value expressive factors have no impact on consumers purchase decision making of soft drink (i.e. $H_0 \leq 3$).

Alternate hypothesis (H_A): Value expressive factors have an impact on consumers purchase decision making of soft drink (i.e. $H_A > 3$).

Table 4: Result of Test of Hypothesis for utilitarian influencing factors on consumers' decision making of soft drinks.

Factors	t	Sig.	Mean Difference	Conclusion
Enhance Image to others' eye.	3.116	.002	.27326	H_0 is rejected; H_A is not rejected
Characteristics that customers would like to have (Role Model).	-.161	.873	-.01163	H_A is rejected; H_0 is not rejected
Sometimes valued by others	2.209	.029	.14535	H_0 is rejected; H_A is not rejected
Brand helps customers to show who they are and who they would like to be (Own personality).	2.774	.006	.23837	H_0 is rejected; H_A is not rejected

**Note: at 5% significance level*

The t-test result (table 12.1) shows that all the items have an impact on purchase decision making of soft drinks except the 'Role model'.

5. Major Findings

After the detailed analysis researcher found the following major findings:

1. Consumers perceive that their own personality is the most influencing factor to take a purchase decision regarding the soft drinks' brands;
2. Family members, friends, relatives are the reference groups that have the most influence on purchase decision making of soft drinks than others;
3. Consumers have perception that one brand can enhance their image to others' eyes;
4. Consumers think that one brand can help them to show themselves to others;
5. Celebrity has less impact on the consumers to choose a specific brand of soft drinks;
6. As the consumers collect different information from others, they collect the taste related information the most followed by brand and hygiene related information;
7. Consumers collect information from those who know more about soft drinks on the other hand they do not collect information from those who work in soft drink company;
8. Consumers do not think about their role models while buying a specific soft drink;
9. Most of the consumers of soft drinks are students;
10. By buying a specific soft drink consumers tend to show their personality to others;
11. Most of the customers of soft drink are students in different education level that are in different age level who earn in different amount of money.

6. Conclusion and Recommendations

6.1. Conclusion:

In the highly competitive FMCG industry the consumers play the main role. In marketing consumers are the kings of industry. In this study researcher find out the consumers' insight and the pattern pressure the reference group exert on the consumers to buy a soft drinks. In the soft drinks industry it seems that marketers in different soft drink companies take innovative strategy to cope with the dynamic consumers.

Different marketing researches are made by the company to gather knowledge about the consumers. And take step(s) to achieve their mission.

This study is conducted for the purpose of generating knowledge about reference group influence on purchase decision making of soft drinks. Different factors that play great roles on consumers to choose a soft drink to buy are discovered in this study. Marketer can take necessary steps that I recommended in this study.

It is found that not all the factors studied in this study have the same power to influence the consumers. And at the same time different consumers consider different factors in different way. So marketers need to choose those variables that influence all the consumers in different scale.

6.2. Recommendations:

As it is difficult for marketers to take courses of action regarding the customers base on their behavior, marketers need to be aware that not all the customers behave in the same way. Different customers behave in different way even the same actions are taken.

The marketers need to take some promotional strategies such as –advertising through different media- that inform the consumers that their personality is match with the specific brand. As if customers consider the brand as their preferred brand.

In marketing strategy marketers need to focus on the influence of others - this study advised- that is marketers should show the target customers that others from which they are influenced also value specific brands. As a result the consumers may fell for the brand.

As the consumers collect different information from different groups the marketers need to ensure that the information about product and brand is delivered rightly to those who provide information to the consumers. This may be done through an appropriate communication strategy which may advertise in television, radio, newspaper etc.

Marketers also need to focus on that information that the consumers collect from others those are: taste related, brand and hygiene related information. That means in the communication strategy these sectors should include communicating with the consumers.

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Appendix:

1. Raw Table:

1. Age:

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10-14	3	1.7	1.7	1.7
	15-24	117	68.0	68.0	69.8
	25-34	47	27.3	27.3	97.1
	35-Above	5	2.9	2.9	100.0
	Total	172	100.0	100.0	

2. Occupation:

Occupation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	126	73.3	73.3	73.3
	Service Holder	32	18.6	18.6	91.9
	Business	7	4.1	4.1	95.9
	Others	7	4.1	4.1	100.0
	Total	172	100.0	100.0	

3. Education Level:

Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SSC	38	22.1	22.1	22.1
	HSC	36	20.9	20.9	43.0
	Hon's	63	36.6	36.6	79.7
	Above Hon's	24	14.0	14.0	93.6
	Below SSC	11	6.4	6.4	100.0
	Total	172	100.0	100.0	

4. Search Information from those who know more about soft drink:

Search Information from those who know more about soft drink					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.5	3.5	3.5
	Disagree	28	16.3	16.3	19.8
	Neutral	44	25.6	25.6	45.3
	Agree	76	44.2	44.2	89.5
	Strongly Agree	18	10.5	10.5	100.0
	Total	172	100.0	100.0	

5. Collect Information from friends, family members, relatives, coworkers:

Collect Information from friends, family members, relatives, coworkers					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	5.8	5.8	5.8
	Disagree	30	17.4	17.4	23.3
	Neutral	40	23.3	23.3	46.5
	Agree	70	40.7	40.7	87.2
	Strongly Agree	22	12.8	12.8	100.0
	Total	172	100.0	100.0	

6. Change mind if I see that retailers use specific brands:

Change mind if I see that retailers use specific brands					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.5	3.5	3.5
	Disagree	42	24.4	24.4	27.9
	Neutral	67	39.0	39.0	66.9
	Agree	57	33.1	33.1	100.0
	Total	172	100.0	100.0	

7. I valued information the most that my family members provide about soft drinks:

Valued information the most that my family members provide about soft drinks					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	5.2	5.2	5.2
	Disagree	54	31.4	31.4	36.6
	Neutral	51	29.7	29.7	66.3
	Agree	50	29.1	29.1	95.3
	Strongly Agree	8	4.7	4.7	100.0
	Total	172	100.0	100.0	

8. My friends' evaluation and preference will influence my choice:

Friends' evaluation and preference will influence choice					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	4.1	4.1	4.1
	Disagree	16	9.3	9.3	13.4
	Neutral	52	30.2	30.2	43.6
	Agree	91	52.9	52.9	96.5
	Strongly Agree	6	3.5	3.5	100.0
	Total	172	100.0	100.0	

9. Others people Evaluation:

Others people Evaluation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	4.1	4.1	4.1
	Disagree	39	22.7	22.7	26.7
	Neutral	73	42.4	42.4	69.2
	Agree	50	29.1	29.1	98.3
	Strongly Agree	3	1.7	1.7	100.0
	Total	172	100.0	100.0	

10. To consider my classmates' preference my decision to purchase soft drinks is influence much:

Classmates Preference					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	3.5	3.5	3.5
	Disagree	53	30.8	30.8	34.3
	Neutral	62	36.0	36.0	70.3
	Agree	35	20.3	20.3	90.7
	Strongly Agree	16	9.3	9.3	100.0
	Total	172	100.0	100.0	

11. I tend to choose those brands that will enhance my image in others' eye:

Enhance My Image					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	9.3	9.3	9.3
	Disagree	27	15.7	15.7	25.0
	Neutral	44	25.6	25.6	50.6
	Agree	64	37.2	37.2	87.8
	Strongly Agree	21	12.2	12.2	100.0
	Total	172	100.0	100.0	

12. Consumers feel that those who purchase or use the soft drinks of a particular brand possess the characteristics which I would like to have:

Characteristics that I would like to have					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	7.6	7.6	7.6
	Disagree	38	22.1	22.1	29.7
	Neutral	60	34.9	34.9	64.5
	Agree	60	34.9	34.9	99.4
	Strongly Agree	1	.6	.6	100.0
	Total	172	100.0	100.0	

13. I think that the people who purchase the soft drinks of particular brand (e.g., Pepsi, Coca Cola, Mojo, Clemon, Fanta, Pran Up etc.) are sometimes valued by others:

Sometimes valued by others					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	4.1	4.1	4.1
	Disagree	26	15.1	15.1	19.2
	Neutral	80	46.5	46.5	65.7
	Agree	53	30.8	30.8	96.5
	Strongly Agree	6	3.5	3.5	100.0
	Total	172	100.0	100.0	

14. Using the soft drinks of a particular brand helps me to show others who I am, or who I would like to be (such as successful actresses, a female professional, etc.):

Particular brand helps me to show others who I am, or who I would like to be					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	4.1	4.1	4.1
	Disagree	45	26.2	26.2	30.2
	Neutral	47	27.3	27.3	57.6
	Agree	46	26.7	26.7	84.3
	Strongly Agree	27	15.7	15.7	100.0
	Total	172	100.0	100.0	

2. Questionnaire

FOR CUSTOMERS/CONSUMERS

For your kind information, I would like to inform you that this survey is conducted only for educational purposes. That is to know the **‘Reference Group Influence on Purchase Decision Making of Soft Drinks’**

NAME OF RESPONDENT: _____

1. GENDER: [1] Male [2] Female
2. OCCUPATION: [1] Student [2] Service [3] Doctor [4] Business [5] Other...
3. EDUCATION: [1] SSC [2] HSC [3] Hon's [4] Above Hon's [5] Below SSC
4. INCOME : [1] Nil-2000 [2] 2000-5000 [3] 5000-10000 [4] 10000-20000[5] 20000Above
5. Please **‘tick’** your age15 - 24 25 - 34 35 & above

[1] 10 – 14	[2] 15-24	[3] 25-34	[4] 35 & above

6. Please **rank** the following that influence you to buy soft drinks.

- ☐ Family Members,
- ☐ Peer Groups
- ☐ Coworkers
- ☐ Friends
- ☐ Relatives
- ☐ Other Consumers
- ☐ Your own Personality
- ☐ Culture
- ☐ Celebrities

Informational influence

7. Which information do you collect from others? Please rank the first 3 as 1, 2, and 3.

- ☐ Price Related;
- ☐ Brand Related;
- ☐ Test Related;
- ☐ Hygiene Related;
- ☐ Packaging Related.
- ☐ Others(Please Mention):_____

8. I search information about various soft drinks from those who know more about soft drinks.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

9. I seek information from those who work in the soft drinks company.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

10. I will collect soft drinks information from friends, neighbors, relatives, or work associates.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

11. If I see the soft drinks' brand which is used by soft drinks retailers, I may change my mind.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

12. My choice of soft drinks is influenced by other consumers' who consume specific brands.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

13. I valued information the most that my family members provide about soft drinks.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

Utilitarian influence

14. My friends' evaluation and preference will influence my choice.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

15. Other people's recommendation may influence my final decision.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

16. The preferences of family members can influence my choice of soft drinks most.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

17. To consider my classmates' preference my decision to purchase soft drinks is influenced much.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

Value-expressive influence

18. I tend to choose those brands that will enhance my image in others' eye.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

19. I feel that those who purchase or use the soft drinks of a particular brand possess the characteristics which I would like to have.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

20. I think that the people who purchase the soft drinks of particular brand (e.g., Pepsi, Coca Cola, Mojo, Clemon, Fanta, Pran Up etc.) are sometimes valued by others.

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

21. Using the soft drinks of a particular brand helps me to show others who I am, or who I would like to be (such as successful actresses, a female professional, etc.).

[1]Strongly Disagree [2] Disagree [3] Neutral [4] Agree [5] Strongly Agree

Thank you for your great cooperation.....